COMPENDIUM OF PAPERS PRESENTED AT THE ACADEMIC CONFERENCE

Africa's Fiscal Space, Fragility and Conflict

22-24 FEBRUARY 2022

United Nations

This compendium has been developed as part of OSAA's mandate to promote the generation of knowledge that contributes to addressing the challenges that African countries face in pursuing sustainable development. For more information about OSAA's mandate and products, please visit www.un.org/osaa or contact osaa@un.org

Financial support from the United Nations Peace and Development Trust Fund to organize the Academic Conference that led to the production of this compendium is gratefully acknowledged. More information on the project on "Strengthening the capacity of African countries to design and implement policies that promote the nexus among peace, security and development for accelerated implementation of the Sustainable Development Goals (SDGs)" of which this compendium is part can be found at www.un.org/osaa

United Nations publication issued by the Office of the Special Adviser on Africa.

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Programme Management Officer,
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PDF ISBN 978921001988

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ACKNOWLEDGEMENTS

This compendium is the result of the individual contributions of experts that participated in the Academic Conference organized by the Office of the Special Adviser on Africa (OSAA) and the Africa Capacity Building Foundation (ACBF) in February 2022. In this regard, the two entities wish to convey their appreciation to the experts that participated in the Conference, in particular (in alphabetical order): Adedeji Ademola, John Osayere Agbonifo, Olajumoke Ayandele, Gibson Chigumira, Lennart Fleck, Yvan Ilunga, Lyla Latif, Samuel Oloruntoba, Jean du Plessis, Abdishakour Said, Balqesa Sheikh and Adryan Wallace. Specific authorship of each of the papers is indicated in the different chapters.

The OSAA and ACBF are also grateful to the moderators and discussants of the different sessions of the Conference, who facilitated lively discussions and contributed toward strengthening the papers, namely (by Session and in alphabetical order): Prof. Elizabeth Amukugo, Ms. Catherine Ngina Mutava, Dr. Chukwuka Onyekwena, Prof. Yiagadeesen Samy and Mr. Felix Tughuyendere (Session 1); Prof. Cristina D'Alessandro, Prof. Afeikhena Jerome, Ms. Emily Muyaa, Ms. Cynthia Nyam, Ms. Irene Ovonji-Odida, Ms. Carlotta Schuster, Dr. Gloria Somolekae (Session 2); Prof. Sylvain Boko, Mr. Henk-Jan Brinkman, Mr. Oumar Diakhate, Dr. Meriem El Hilali, Mr. Ahmed Magdy and Dr. Charles Nyuykonge (Session 3).

This compendium is possible thanks to the work of the OSAA staff and ACBF members that contributed to the organization of the Academic Conference under the coordination of Mr. Kavazeua Katjomuise (OSAA) and Mr. Barassou Diawara (ACBF). In particular, the organizing team was composed of Ms. Rumbidzai Adebayo (OSAA), Mr. Liwaaddine Fliss (OSAA), Mr. Kei Tagawa (OSAA) and Ms. Rui Xu (OSAA). The following OSAA and ACBF members reviewed papers in preparation for the Academic Conference: Prof. Olu Ajakaiye (ACBF), Prof Cristina D'Alessandro (ACBF), Prof Elizabeth Amukugo (ACBF), Prof. Nicolas Biekpe (ACBF), Mr. Oumar Diakhate (ACBF), Hussein Elshaar (OSAA), Fatoumata Dite Mama Kane (OSAA), Dr. Gebrehiwot Ageba Kebedew (ACBF), Prof Robert Nantchouang (ACBF), Charles Nyuykonge (ACBF), Jeewansing Ramlugun (ACBF), Prof. Timothy M. Shaw (ACBF), Dr. Gloria Somolekae (ACBF), Utku Teksoz (OSAA), Bitsat Yohannes-Kassahun (OSAA) and David Wright (OSAA). Logistical and administrative support was provided by Ms. Maria Teresa Arañas, Ms. Michelle Douglas-Romany and Ms. Mary Nyumu.

KEY MESSAGES FROM THE AUTHORS

- **Since independence, most countries in Africa have struggled to achieve sustainable development and eradicate poverty.** Despite regional initiatives in line with Agenda 2063 and the SDGs, there has been a lack of political will to implement necessary changes, and often external initiatives are embraced more than continental initiatives. **The large disparity between regional aspirations and progress to date** is the result of illicit financial flows, unemployment (especially of the youth population), increased debt, weak institutions, climate change, high illiteracy rate, corruption, duplication of regional organizations, as well as foreign influence in African politics and development. Due to all these challenges, Africa lacks the fiscal space needed to fund major projects, and there is also weak political will to achieve set targets in national, regional and global plans and frameworks. This was also compounded with issues of autocracy, conflict, insurgency, and violent extremism.

- **COVID-19 disruptions led to further deteriorating fiscal positions and increased public debt.** Consequently, many African member states, including middle-income countries, lacked the policy space to deploy necessary fiscal measures to address the socio-economic impact of COVID-19. The pandemic brought added pressure on African countries with the need for social protection services and programs, particularly with regards to the most vulnerable, the poor, and the elderly. The IMF[1] had estimated that African countries would face a post-COVID recovery financing gap of US$285 billion, to jumpstart their economies, strengthen national health systems, and implement social safety net programs for the most vulnerable segments of society.

- **African countries also experience shrinking fiscal space from severe financial hemorrhages in 'ungoverned spaces'**, when aspects of a sector are abandoned by the government, or deliberately ceded to non-state actors, with express approval to extract rents from the sector largely for the benefit of the latter. Shrinking fiscal space results in governments' inability to sustain spending on essential services, which pose significant challenges for achievement of the SDGs and building resilience post-COVID-19.

- **To address the fiscal space constraints, governments need to enhance domestic resource mobilization** by improving revenue collection, curbing corruption, reducing inflation, and improving the quality of revenue administration; broadening the tax base; facilitating the formalization of the informal sector and increasing the contribution of the primary sector to the economy through value addition and beneficiation of primary products; and maintaining tax rates at optimal levels that are not distortionary. This will help countries pursue avenues to build fiscal buffers which enhance the scope for an expansionary fiscal policy to respond to emerging fragility risks and conflict and enable countries to achieve fiscal sustainability.

1 https://www.imf.org/en/News/Articles/2021/05/18/sp051821-remarks-at-financing-african-economies-conference

- **Credit rating agencies can play an important role, as they determine African countries' ability to access funding on the international capital markets.** Therefore, there is a need to advocate for establishing an Africa-based Credit Rating Agency under the auspices of the African Union and the African Development Bank to provide an objective assessment of African countries' creditworthiness which take into account the context of the region and economic fundamentals.

- **Even before the pandemic, there was a dangerous level of debt accumulation in Africa driven by several endogenous and exogenous factors.** These are mainly related to the structure and nature of African economies including lack of linkages and diversification, limited capacity for resource mobilization, lack of efficiency in public spending, increased need for infrastructure and borrowing. Debt interventions provided to African countries, while commendable, often come with conditionalities that could worsen social crisis on the continent through cuts in social spending.

- **The cost of servicing debt is increasing, which has serious implications for growth and will further increase the susceptibility of African economies, leading to conflict, instability, and increased inequality.** Moreover, the increased borrowing by African member states has not led to economic growth because African economy heavily depends on commodity export and the prices of these exports are not determined in Africa. Thus, the need to diversify Africa's economies and set effective trade and industrial policies was underscored to ensure that debt diversification works for Africa. At the international level, current IMF debt relief moratorium should be sustained; debt write-off should be considered; capacity for domestic resource mobilization be strengthened; governance at subnational and national levels be improved; and a new global compact for reducing or ending illicit financial flows be agreed upon.

- **Another challenge comes from debt-related illicit financial flows** including tuna bonds, COVID loot, trade misinvoicing, vulture funds, debt to equity swaps, and thin capitalization. Understanding the political economy behind Africa's debt problem is important: the continent's colonial history and post-colonial fiscal policy have aggravated the debt issue and weakened institutions; liberalized international markets and deregulation have created a conducive environment for IFFs; odious debt and vulture funds litigation have also contributed to the debt problem.

- **The architecture of international borrowing needs to be fundamentally changed to allow African countries to borrow on their terms.** Developments in recent years at the international level, such as the BEPS project, the new global tax treaty, transparency and disclosure requirements, have the potential to alleviate the problem of debt related IFFs, although the design of such frameworks are not inclusive of African perspectives and the implementation is often lacking.

- **Many people in Africa live in countries characterized by fragility, conflict, and violence.** Failure to address this 'fragility' will continue to have serious implications on human life in fragile states themselves and pose the risk of insecurity/conflict spill-overs into neighbouring countries. One promising approach to build functional nation states in a context of fragility is revenue decentralization, as taxation plays a fundamental role in state building. Although decentralization has led to increased local revenue generation, further research will be needed to evaluate the impact on efficiency of public expenditure and service delivery. It is important to optimize the types of revenue that are devolved and focus on the ones that have a direct link to service provision so the benefits can reach the most vulnerable.

- **Moreover, the COVID-19 pandemic has worsened existing instability in Africa, in addition to the significant public health impacts.** African governments often face a dilemma in choosing either to promote the right to growth or to safeguard the rights to health. As the informal sector employs at least 85% of the African population, the lack of adequate social safety nets means that unemployment and inflation rise in times of crisis, which fuel existing conflicts. With the increasing numbers of coups across the region, the militarization of politics and rise of militant jihadist activities are another cause for instability. All of these trends combined with the fragile healthcare systems in African countries result in vulnerability to adverse impacts compared to the health systems of more advanced economies.

- **State fragility can be significantly reduced when tensions surrounding the intersections between economic disparities and other demographic issues are alleviated.** For example, weaknesses in state structures – characterized by a combination of inequalities produced by political, economic, and social institutions – impact women's economic security, broaden gender inequalities, and may lead to further conflict.

- **Investments in human capital will help to reduce gender inequalities and promote inclusive growth.** Education not only provides knowledge and skills, but more importantly, it equips the individual and groups with critical consciousness of their environment and enhances their capacity to contribute to socio-economic development. To improve gender inequality, governments also need to be more inclusive by including and consulting local women's organizations in tailoring gender equality policies and monitoring and evaluating them. Putting women's groups at the center of policy implementation and assessments generates institutional changes that are dynamic and capable of responding to new inequalities that may emerge.

- **There is a need for African leaders to develop and implement strategies and policies that can capture the needs, capabilities, and skills of the continent to move beyond the COVID-19 pandemic.** Specifically, the elements of a human security-based approach in framing pandemic responses should be promoted. These include examining the multifaceted dimension of insecurity and threats, progressing from an institutional state-centric perspective to a people-centered approach and considering individuals as the primary unit of analysis.

BACKGROUND AND INTRODUCTION

THE UNITED NATIONS OFFICE OF THE SPECIAL ADVISER ON AFRICA (OSAA) IN COLLABORATION WITH THE AFRICAN CAPACITY BUILDING FOUNDATION (ACBF) VIRTUALLY CONVENED THE FIRST ACADEMIC CONFERENCE UNDER THE THEME "AFRICA'S FISCAL SPACE, FRAGILITY AND CONFLICT" FROM 22-24 FEBRUARY 2022

The Conference is a new flagship product of OSAA which is linked to its two main functions: advisory and advocacy. The OSAA is strategically guided by its strategic agenda (see Annex), which is instrumental, among other things, in changing the narrative about Africa and from Africa. Therefore, through the Africa Academic Conference, OSAA seeks to provide a platform to the academia to contribute towards shaping and influencing the narrative about Africa and from Africa at the global level. Through their partnership, the OSAA and ACBF continue to advocate for strengthening research and promote evidence-based policy recommendations as a building block of development policy in Africa.

The Conference provided a global platform for African experts, scholars and academics to discuss and raise international awareness of critical issues related to the theme and support efforts by African countries and development partners aimed at building forward better from the COVID-19 pandemic. The conference discussed ways and means to expand fiscal space, advance sustainable development, avert deterioration of fragility, and prevent conflicts on the continent in the context of recovery and building forward better from the pandemic. The Conference seeks to bridge the knowledge gap, exchange information and build the capacity of policymakers, including African diplomatic officials, which will enable them to participate actively in the United Nations intergovernmental processes.

This compendium contains the research papers and proceedings of the OSAA-ACBF Academic Conference. The committee, composed of OSAA and ACBF, chose the topics for the sessions, list of discussants and panellists and selected the papers to be presented at the conference.

A call for papers was announced on OSAA's website and other academic outlets six months in advance of the conference. Building on the call for papers on the theme of the Conference, 18 papers were received, of which 8 were initially selected. The guidelines for selecting the papers were agreed by the Conference organisers. These involved reviewing papers based on the following five criteria: readability, methodology, analysis and data, policy dimension from an African perspective and recommendations. Subsequently, the selected papers were edited but were not subject to the formal referee process and the length of the paper was established. The eight shortlisted papers were reviewed, presented, and discussed during the Conference. Based on the feedback received from participants, the papers were further revised. In this volume, a subset of the 7 selected papers is being published, however, one paper was not finalised in time for the compendium, though a summary of the presentation has been included herein.

This compendium aims to support African research on the theme of the conference and presents the major outcomes of the Conference and the research papers.

In this compendium, research papers are clustered around the following three sub-themes and specific recommendations emanating from the discussion are highlighted under each sub-theme:

- Debt sustainability and impact on fragility and conflict;
- Illicit financial flows, decentralization, and their impacts on fiscal space in Africa; and
- Building Africa's resilience to shocks and advancing inclusive, equitable and peaceful society in Africa.

OPENING SESSION

In her opening remarks, **Ms. Cristina Duarte**, Under-Secretary-General and Special Adviser to the United Nations Secretary-General on Africa, presented an overview of the Office of the Special Adviser on Africa (OSAA), noting that the Academic Conference is a new flagship product of the OSAA linked to two main functions: advisory and advocacy. She highlighted that the OSAA is guided by a strategic agenda that is instrumental, among other things, in changing the narrative and the misperception about Africa and this is where the Academic Conference comes into action: a narrative about Africa and from Africa. She noted that the OSAA has been performing the role of a knowledge broker between the UN system and the OSAA's stakeholders/partners and, hence, the organization of this academic conference is critical.

Pertaining to the theme of the conference, Ms. Duarte highlighted that sustainability will not be attained by persisting on past formulas that conceive Africa as a continent in need of aid and debt relief, but only if African countries are perceived as equal partners to other international stakeholders, who are able to develop and manage their own sources of funding. This should be the mindset to address fiscal space and fragility in Africa. In this regard, to break the vicious circle, the most effective way is to operationalize the governance value chain as a source of trust and credibility.

In his opening remarks, **Prof. Emmanuel Nnadozie**, Executive Secretary of the African Capacity Building Foundation (ACBF), noted that the theme of the Conference was timely given that COVID-19 has led to a sharp decline in global economic activity since early-2020. Specifically, for Africa, he stated that the pandemic had added pressure on all sectors of economies, including MSMEs (micro, small, and medium enterprises), resulting in reduced employment opportunities. Additional pressures were put on social protection services and programs, particularly with regards to the most vulnerable, newly vulnerable, the poor, and the elderly. This led to fiscal pressures on Governments' budgets as they are faced with restricted fiscal space, while at the same time confronting significant additional expenditure needs. He advised that the IMF had estimated that African countries would face a post-COVID recovery financing gap of US$285 billion, to jumpstart their economies, strengthen national health systems, and implement social safety net programs for the most vulnerable segments of society.

He noted that the ACBF believes that there are several dimensions of capacity development required to help fragile and conflict-affected African countries to break the vicious cycle of low development, vulnerability, fragility, and conflict. This includes the capacity to establish the conditions for peace and security necessary to restore a sense of confidence in willing development partners. He stressed the need for the capacity of fragile and conflict-affected countries to identify sources of funding to support their transition back to the path of recovery and development. He also underscored the importance of promoting domestic resources mobilization and minimizing Illicit Financial Flows (IFFs) and advised that the ACBF and members of the Consortium on fighting IFFs had established a multi-donor trust fund to support initiatives of the African Union (AU) high-level panel on IFFs.

H.E. Ambassador Fatima Kyari Mohammed, Permanent Observer of the African Union to the United Nations, underlined that nexus between peace, security and development is imperative if we are to tackle issues in a holistic manner and achieve our continental and global development goals, Agenda 2063 and 2030. She highlighted some of the economic challenges Africa is facing, namely the deteriorating fiscal positions and increased public debt, and noted that many Member States, including middle-income countries, do not have sufficient policy space to deploy necessary fiscal measures that are needed to address the socio-economic impact of the COVID-19 pandemic. She mentioned that COVID-19 has disrupted humanitarian aid flows, limited peace operations and distracted ongoing peacebuilding efforts.

The Ambassador mentioned that the pandemic has also made it extremely difficult to mobilize the resources needed for the achievement of the SDGs and to meet their targets by 2030, and further noted that even before the pandemic, Africa was off-track from fulfilling the SDGs. She advised that the AU had played a central role in managing efforts to limit the pandemic impact and supported the AU Commission and the CDC in launching a number of initiatives such as the AU COVID-19 Response Fund. She advised that financing for Africa's transformation for inclusive growth beyond the COVID-19 pandemic requires effective domestic resource mobilization, mainly by stemming IFFs from the continent. She also stated that achieving a sustainable and resilient recovery from the COVID-19 pandemic requires mobilization of sufficient resources and joint global efforts to accelerate Africa's quality infrastructure development; fast-track productive transformation through industrialization and regional value chains; and build human and institutional capacities.

RESEARCH PAPERS

Topic 1. Debt sustainability and impact on fragility and conflict

Paper 1.1. Back to the Well? Untangling the New Debt Accumulation, COVID-19, and Social Crisis in Africa

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ABSTRACT

The high hopes that the debt forgiveness and rescheduling of the early 2000s would boost the fiscal space in Africa through savings from the high costs of debt servicing is fast disappearing. The post 2008-2009 global financial crises have brought a new regime of debt accumulation in Africa. The sharp fall in commodity prices from 2014 affected the major economies like Nigeria, South Africa, Angola, Zimbabwe with many of these countries entering recessions in quick successions. According to the International Monetary Fund, at least seventeen countries, representing roughly a quarter of the continent's GDP, are either at debt distress or high risk of debt distress. From Nigeria to South Africa, debt to GDP ratio has grown dramatically. COVID-19 has exacerbated these challenges because of the various measures that have been taken to contain it. From the national lockdowns to the high cost of managing the pandemic, the state in Africa has had to resort to a new high level of borrowing from local and international sources.

This paper argues that the new regime of debt accumulation has serious implications for the social sector in Africa. The high level of unemployment, especially among the youth, disruption to the informal economy, high level of population growth and a shrinking space for domestic resource mobilization are indicative of social crisis that high debt levels can bring. Without adequate measures, nationally and globally, to address

this problem, rising interest payments and indebtedness would add to the already precarious fiscal situation by diverting resources away from growth enhancing and productive and social investments. Using data from international organizations such as the IMF and the World Bank as well as documents from selected national governments in Africa, the paper analyzes the potential implications of high debt burdens in the social sector in Africa as well as the realization of UN Sustainable Development Goals.

Furthermore, the paper will examine the local and international conditions as well as the economic systems that have led to the current level of debt accumulation. At the domestic level, the limited scope and scale of productivity, limited tax base, corruption in the public sector, illicit financial flows in the private sector and lack of productive infrastructure have combined to create conditions of new debt accumulation. At the international level, the lack of adequate global governance architecture to regulate flow of capital, supervise conditions for credit by private organizations and unsecured loans from emerging economies are contributing to the new debt burdens in Africa. In the wake of COVID-19, the IMF has provided lines of credit to deserving African countries and provided a moratorium on debt servicing. While these steps are commendable, they are insufficient to address the mounting debt and the associated social crisis in Africa. While acknowledging the role of COVID-19 in the new debt regime, the paper will provide recommendations on how resource mobilization at local and international levels could minimize the inevitable consequences of the new debt regime on the social sector in Africa.

Keywords: Debt accumulation, covid 19, Social Crisis, Africa, domestic resource mobilization

1. A BRIEF HISTORICAL STRETCH

The 1970s witnessed several dramatic changes in the conduct of international economic relations. The breakdown in the Bretton Woods system, the oil crisis and the resultant economic problems faced by developed and developing countries alike brought about shift in monetary policy and overall economic direction (Gilpin, 2001). The formation of the Organization of Oil Exporting Countries (OPEC) and their assertiveness in setting the prices and quantity of crude oil to be produced led to surplus funds by members of the oil cartel (Spero and Hart 2010). These funds were saved in private banks in the West. While member countries of OPEC had surplus funds, other Least Developed and Developing countries were faced with serious deficits and other macro-economic problems. Gilpin (2001) notes that recycling of the resultant OPEC surplus to Least Developed Countries in deficit through loans by large international banks increased the likelihood of eventual crisis. From Mexico to Mali, debt became a major challenge to the development aspirations of the developing and less developed countries (see figure 1 for debt accumulation in Africa from 1998 to 2004).

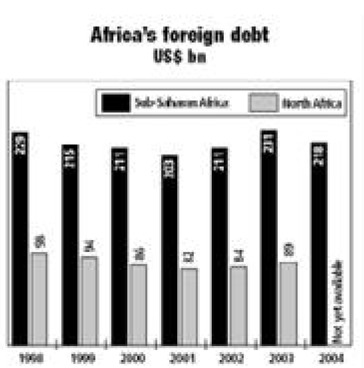
The decision of the Federal Reserves of the United States to change from loose to tight monetary policy further complicated an already dire situation. What followed was the triumph of the neo-liberal doctrine of ‘No Alternative to the Market’ of Margaret Thatcher and Ronald Reagan’s fame.

The involvement of the International Monetary Fund in resolving the macro-economic problems faced by both Least Developed and Developing countries led to the adoption of structural adjustment programs in the 1980s. The interventions worsened the socio-economic conditions of the people and weakened the capacity of the state to allocate resources and meditate competing domestic interests (Mkandawire and Soludo, 1999). Campaigns by civil society organizations at local and international levels, key political figures such as Tony Blair and rock stars like Bono, have led to a global campaign for debt forgiveness. Over 100 billion dollars were written off in debts to poor countries in Africa. In certain instances, debts were rescheduled. According to Abrego and Ross (2002:1), the HIPC; provides substantial debt relief to eligible countries by reducing their overall debt stocks by about one-half, or, together with traditional relief over time, by some 80 per cent. It lowers debt service payments of HIPCs substantially, provides room for increased social spending, and provides a solid basis for debt sustainability'.

However, nearly three decades after these various initiatives, most African countries have returned to a huge accumulation of debt. This paper examines the new trend in debt accumulation in Africa as well as its social impacts. As it was with the previous regime of debt accumulation, African countries today spend a significant part of their national revenues to service debts, in ways that leave critical sectors of the society such as health, education, access to clean water and so on in dire straits. What are the conditions that made African countries susceptible to new debts? To what extent is the global structure of accumulation affecting the reproduction of peripheralization of African economies? How do the new trends in debt accumulation affect social provisions in Africa? How has the COVID-19 pandemic contributed to the new debt regime in Africa? What are the options available to African countries in managing the challenges posed by the new debt overhang? These questions are analyzed with past and contemporary data on domestic and external debts in selected countries in Africa. The rest of the paper proceeds as follows. In the first section, I examine the new drivers of debt accumulation. This is followed by an analysis of how the global structure of accumulation, especially in relation to how the absence of a global compact on debt governance has given leeway to private lenders to lend money to African countries without ensuring judicious use of the money. This section also examines the emergence of new actors like China and how their unilateral approaches to lending could create room for unsafe lending. This section is followed by how the new regime of debt

FIGURE 1: DEBT ACCUMULATION IN AFRICA, 1998-2004

Previous debt regime



- Previous debt regimes in the 1980s
- Debt reliefs and reforms
- Growth associated with the debt reliefs

Source: UN Africa Renewal, from data in World Bank Global Development Finance, 2005 accumulation is affecting social spending and the possibility for social crisis that exist in situations of deprivation and lack of appropriate responses from the government. This section also contains an analysis of how Covid-19 has worsened the debt portfolio in Africa. The next section analyzes the options available for African countries in managing the new regime of debt accumulation. The role of the international community in mitigating this new challenge is also put into proper perspective. The last section concludes.

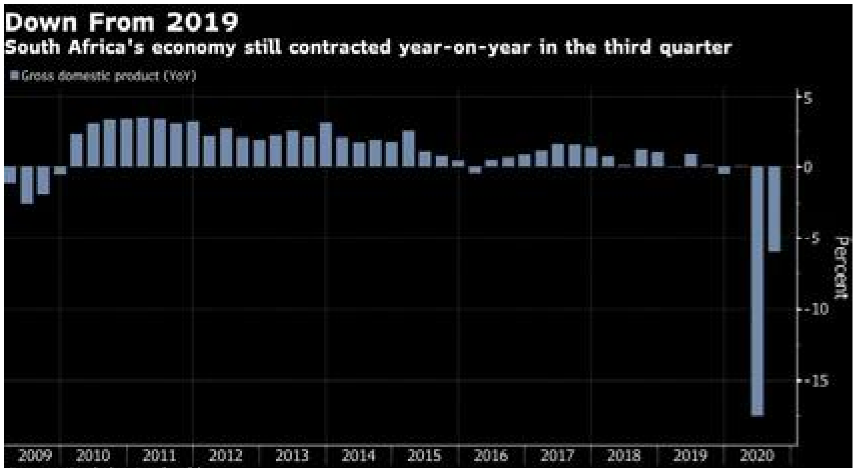
2. DRIVERS OF NEW DEBT ACCUMULATION IN AFRICA

Several endogenous and exogenous factors are responsible for the new regime of debt accumulation in Africa. At the domestic level, the structure of the economy in terms of its composition, lack of linkages and inadequate diversification, limited capacity for resource mobilization, and increased need for infrastructure spending are key drivers of debt accumulation. Major economies in Africa such as Nigeria, South Africa (with little modification), Angola, Ghana, Kenya and a few others are dependent on the exports of minerals and metals and agriculture commodities for revenue as sources of revenues. A sudden fall in the international prices of commodities as witnessed from 2014 resulted in severe gaps in revenue. In Nigeria for instance, the sudden fall in the price of crude oil from 2015 to 2017 plunged the country into recession. South Africa also went into recession in 2015 with minimal growth in the years in between until its worst recession at the onset of Covid-19 in 2020. Although these two countries have exited recession as of late-2020 (see Vanek and Maseko, 2020) in the case of South Africa, the growth has been limited. According to the World Bank (2021), Angola, Nigeria, and South Africa are expected to grow by a mere 0.4 percent, 2.4 percent, 4.6 percent respectively in 2022 and 2023. The outlook for non-resource dependent countries like Côte d'Ivoire and Kenya appears brighter as they are expected to pose growth of 6.2 and 5.0 respectively over the same period. Other countries in sub-Saharan Africa are also expected to pose growth of at the least 3 percent.

Although the new growth projections are attributed to drastic macroeconomic and structural reforms such as the planned removal of fuel subsidies in Nigeria (which has now been put on hold due to the fear that this may lead to serious social crisis), unification of exchange rates in Sudan, opening of the telecommunications sector to the private sector in Ethiopia and tightening fiscal and monetary policy, (World Bank, 2021), it goes without saying that most of these debts have been driven by expansionary spending on infrastructures through new debts.

Figures 2-4 show the increasing levels of debts that Nigeria, South Africa and Angola have accumulated from 2015 to 2020. In the case of Nigeria, most of the debt is from China. Although there has been massive spending on infrastructures over the past six years, including the upgrading of old railway lines and the construction of new ones, upgrading and construction of new roads as well as upgrading of airports, there has been little linkage between these massive investments and increased economic outputs. The high level of insecurity across the country typified by banditry, terrorism and kidnapping have affected economic activities of farmers and transporters. Nigeria also spent money on providing social assistance to the poor during the pandemic. According to Devereux (2021), in Nigeria, more than a million households were enrolled on the National Social Safety Nets Project and became eligible for regular social assistance plus COVID-19 emergency relief. Although social assistance programs such as feeding for school children has been ongoing before the pandemic, spending to meet the needs of the poor increased during the period.

FIGURE 2: SOUTH AFRICA'S GDP, 2009-2020



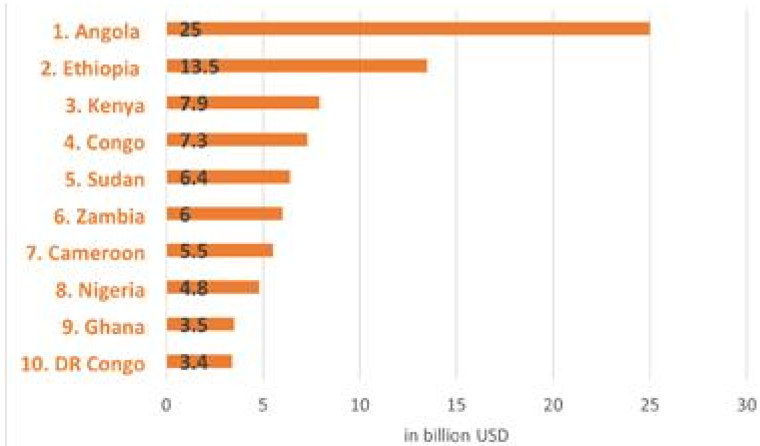
Source: Statistics South Africa

FIGURE 3: NIGERIA EXTERNAL DEBT (2015-2020)

Source: https://www.proshareng.com/news/NIGERIA%20ECONOMY/Nigeria-s-Ballooning-Debt-Profile/54146

Wasteful spending at the different layers of governance such as the parliament, the executive and at subnational levels through appointment of many political aides, special assistants and increasing corruption have constituted avenues for leakages. These leakages affect the extent to which debts can be growth enhancing. Wasteful spending by the executive branch of government includes the huge budgetary allocation to maintain the fleets of at least ten aircrafts in the presidency. Medical tourism among political elites, including President Mohammadu Buhari, who has spent more than 500 days outside Nigeria within the 6 years of his presidency constitute a serious drain on the resources of the country. On corruption for instance, the latest report by Transparency International shows that Nigeria has regressed in the corruption index to position 149 as at 2021 (Transparency International, 2021). Thus, despite the reforms in the country, the inability to reduce the cost of governance, rein in corruption and manage insecurity affect the extent to which infrastructure spending can lead to optimum developmental outcomes.

FIGURE 4: TEN MOST INDEBTED AFRICAN COUNTRIES TO CHINA, 2018



Source: https://africakitoko.com/the-top-ten-african-countries-with-the-largest-chinese-debt/

In South Africa, both domestic and external debts have been rising. From 2016, debt to GDP ratio has been rising consistently from 47.1% to 68.83% in 2021. This is projected to increase to 72.34% in 2022 and 82.9% in 2026 (O'Neill, 2021). The total debt of South Africa is estimated at 4.2 trillion rand ($261 billion), (Statistics Canada, 2021). According to the Reserve Bank of South Africa, 90 percent of this debt is owed to domestic creditors while 10 percent is owed to external creditors. This 10 percent is estimated at about 188 billion U.S. dollars in 2019, which corresponded to the highest stock of foreign debt in Sub-Saharan Africa (Faria, 2021). This huge debt burden has been driven in part by the Covid-19 pandemic and deterioration in public finances caused by years of overspending, mismanagement and alleged graft (Naidoo, 2021). The Covid-19 pandemic created disruption to overall economic activities in South Africa. The tourism sector was badly hit due to bans of inbound and outbound flights in different parts of the world. The pandemic also created a condition in which the government had no option than to provide economic palliatives for those who were displaced from work due to the pandemic. The high debt burden in South Africa is driven by high government spending, especially in maintaining state-owned enterprises that are increasingly mired in controversy. Allegations of state capture and corruption in these enterprises have been rife (Zondo Commission, 2021). The top echelon of the ruling African National Congress, including former President Jacob Zuma, suspended Secretary-General Ace Magashule and many others have been accused of wasting state money through tenderprenuership and state capture.

According to Motibi and Mncayi (2019) there is a 'long-run relationship between government debt and government expenditure, real GDP, inflation and real interest rates, with government expenditure, real GDP and interest rates being the key drivers of government debt in South Africa'. With slow growth and high unemployment, payment of grants to the vulnerable segment of the population also constitutes a major item of expenditure, which could contribute to the increasing debt overhang in the country. According to Devereux (2021:426) 'in South Africa, the Unemployment Insurance Fund (UIF) provided income support to temporarily furloughed workers, while unemployed workers who do not receive UIF could apply for the specially created Temporary Employee/Employer Relief Scheme (TERS)'. At the onset of the pandemic, President Cyril Ramaphosa rolled out R500,000 billion to support families and the economy (Tromp and Kings, 2020). Apart from payment of social grants, part of this money was also devoted to spending for small business and wages for workers. The high number of South Africans operating in the informal sector both in the rural and urban areas made this type of intervention critical.

Like Nigeria and South Africa, debt to GDP ratio has increased intermittently in Angola over the past ten years. The debt to GDP ratio increased from 30 percent in 2012 to 105 percent in 2021. The overall external debt is estimated at $68.9 billion in 2020, making the country the second most externally indebted country in sub-Saharan Africa (Faria, 2021). The bulk of the debt is owed to China (see figure 3). As indicated above, the high dependence of the country on exports of commodities, especially oil, was responsible for the macroeconomic challenges facing the country. The fall in commodity prices in 2014 led to a drastic reduction in foreign earnings. The need to fix infrastructures and diversify the economy are also drivers of new debt in Angola. Like other countries, the Covid-19 pandemic worsened economic conditions in the country and aggravated the debt problem. Like other naturally resourced countries, corruption has been very endemic in Angola. Both the son and daughter of former President Dos Santos have faced trial for their involvement in corruption during the long years of their father's grip over the country, (Browning, 2019).

To summarize this section, it is important to mention that the new debt overhang in several African countries is driven by the dependent nature of the economies on commodity exports, the fluctuations in the prices of the commodities, the slow growth in the economies due to the slow growth in global economy, the unrelenting COVID-19 pandemic and high rate of corruption in several African countries. Equally important is the conditions under which the various loans are syndicated. There have been concerns around the opaque nature of Chinese debts in Africa and how this could be worsening the economic situations rather than fostering growth. Apart from the loans being tied to oil and gas and mineral exports, the conditions under which they are released in many instances fail the test of proper scrutiny. In recent times, Zambia, Uganda and Nigeria have been in the news for signing loan agreements with China that could make them lose their vital assets such as airports or even compromise their sovereignty altogether. Despite these concerns, Zambian officials think debt servicing on Eurobond, which the country had floated to raise capital, constitutes more concerns for the country than China loans. This is because the country can always renegotiate the terms of loan (Servant, 2019). However, this does not detract from the overall concerns over the high percentage of Chinese debt of 30 percent of the total and the presence of companies from the country in different sectors of the economy.

Apart from the absence of the critical voices of parliamentarians in discussing the terms of securing these loans, the civil society is also very absent. The overall consequence of the absence of these voices is how consideration for self-interest and lack of capacity for negotiation could override consideration for national interest and those of the citizens.

3. GLOBAL GOVERNANCE OF FINANCE AND THE NEW REGIME OF DEBT ACCUMULATION IN AFRICA

The increasing regime of debt accumulation in Africa cannot be divorced from the operations of the global governance of finance. From the market-oriented policy orientation of the International Monetary Fund and the World Bank to the low level of regulation over the flow of money through illicit financial flows, the global financial architecture has limited the space available for countries in Africa to negotiate credit terms that can foster development. The role of international credit ratings in determining the health of the economies and their eligibility to apply for credit also affect debt accumulation in Africa.

Scholars have argued that the market orientation of the IMF and the World Bank worsened the economic challenges of African countries from the 1980s (Stiglitz, 2002, Mkandawire and Soludo, 1999). In their seminal book on the structural adjustment programs, Mkandawire and Soludo argue that the conditionalities attached to the reform packages led by these two institutions worsened the economic conditions of the reforming countries. For instance, the forced adoption of the liberalization of capital account created conditions for capital flight and exacerbated the problem of illicit financial flows. Although the IMF and the World Bank acknowledged that some of their policy recommendations were wrong, there has been no changes in the market principles that informed these policy prescriptions (IMF, 2015, World Bank, 2018). Although these institutions admitted these errors, the damage to African economies cannot be reversed overnight. Worse, there has been no commitment to any fundamental changes to the structure of the global economy system that has forced the continent to the crisis.

In the wake of the global financial crisis of 2008-2009, the United Nations General Assembly set up the Commission of Experts of the President of the United Nations General Assembly on Reforms of the International Monetary and Financial System, otherwise known as the Stiglitz Commission, to examine the causes of the global financial crisis and suggest ways to reform the international financial system. In what Wade (2013) calls the art of power maintenance, the UK and the US worked assiduously to scuttle the work and the mandate of the Commission. Apart from preventing the office of the UN Secretary General to fund the Commission, these two western countries ensured that the UN did not follow up on the work of the Commission. From the perspectives of the US and UK, global financial issues should rather be left to the G20, the IMF and the World Bank. By insisting on this position, they undermined a genuine effort towards broadening the space for debate and a decision on a global financial crisis that was caused by the excesses of the market that have been tolerated in the West for so long. By scuttling this initiative, African countries with their large membership in the UN lost an opportunity to have a platform to constructively engage with issues of global finance. The rejection of any attempt of the UN General Assembly to intervene on global financial issues was not accidental. It was designed from the beginning of the Bretton Wood institutions. As Wade (2013:13) rightly argues:

> *The founders ensured that the relationship agreements between the UN and the Bretton Woods organizations differed in one important respect from the relationship agreements between the UN and other UN agencies (like the Food and Agriculture Organization and UNESCO). Whereas the General Assembly may "make recommendations" to the others, it may not make recommendations to the Bretton Woods organizations—because the founders knew that the Bretton Woods organizations would be far more important to Western states than the others.*

Similarly, the strident calls by developing countries for the reforms of the Bank and the Fund on voting and decision making have not been heeded. Despite the voice reform of 2010, nothing fundamental has changed in the voting weight of developing countries in the Bank (Wade, 2013). In terms of position, the leadership of the two institutions continue to be occupied by citizens of western countries, who are often committed to the pursuit of market principles that are not appropriate for African economies.

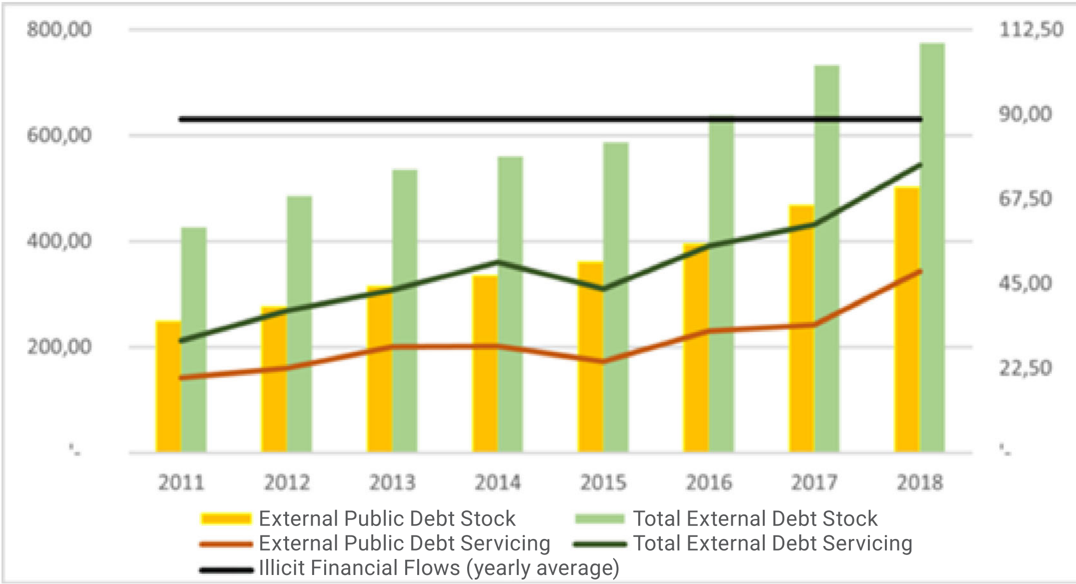
Lack of effective regulation over movement of capital is another limitation of the current global finance. The ease with which money moves from one country to the other creates conditions of financial instability in fragile economies in Africa. Despite the Basel Accord, banks and other lending organizations continue to provide sovereign loans with little or no due diligence. According to the Corporate Finance Institute (2021) 'The Basel Accords were formed with the goal of creating an international regulatory framework for managing credit risk and market risk. Their key function is to ensure that banks hold enough cash reserves to meet their financial obligations and survive in financial and economic distress. They also aim to strengthen corporate governance, risk management, and transparency'. The existence of these regulatory frameworks did not prevent the bank collapse that led to the global financial crisis in 2008-2009.

There have been concerns that the increasing share of Chinese debt in Africa could further worsen the debt portfolio of the continent. Brautigam, Huang and Acker (2021) present the increasing China related debt crisis in Africa this way, 'New data released by the World Bank in June 2020 suggest that Chinese lending is over 25 percent of the debt stock in seven countries in Africa deemed to be at risk of, or already in, debt distress: Djibouti (57 percent), Angola (49 percent), Republic of Congo (45 percent), Cameroon (32 percent), Ethiopia (32 percent), Kenya (27 percent), and Zambia (26 percent)'. Apart from the opaque conditions under which these debts are negotiated, China does not operate under the multilateral framework for lending. Given the important role that China is playing on the continent, it is imperative for the country to operate within a global governance architecture that can contribute to setting rules of engagement on debt issues. A mix of Chinese limited market orientation and the IMF full blown market orientation to debt management could bring a balance in the practice of how debt can be controlled or used to foster development in Africa. The global governance architecture of finance has not been able to prevent illicit flows from Africa. The limited regulatory capacity of banks on the continent and the weak international surveillance over movement of capital, and lack of control over tax havens have continued to propel illicit financial flows from Africa (Ojo and Oloruntoba, 2022, Oloruntoba, 2018, UNCTAD, 2020). According to the Economic Report of Africa published by UNCTAD (2020). Africa loses about US$88.6 billion, 3.7 per cent of its gross domestic product (GDP), annually in illicit financial flows. Previous studies by the African Union High Level Panel on Illicit financial flows show that the continent has lost over $400billion in illicit financial flows over the past decades (AU High Level Panel, 2014). Given the difference between annual foreign inflows in the form of overseas development assistance, the continent is net creditor to the world (see figure 5, next page). The figure shows an increase in the external public stock, debt servicing from 2012. Overall, the increase in illicit financial flows is more than the external debt and external debt service from 2012 to 2017.

4. DEBT ACCUMULATION, DEBT SERVICING AND SOCIAL CRISIS IN AFRICA

African countries have been accumulating debt over the past decade. The growth trajectory that brought about the Africa rising narrative slowed down with the fall in the prices of commodities from 2014. Despite the relatively limited fatalities of COVID-19 on the continent, it came at great economic costs. Apart from the associated costs of shutting down the economy, the government of various African countries provided stimulus packages for vulnerable individuals and households who are without social safety nets as well as struggling businesses and boosting health infrastructures. The massive spending that accompanied the responses to COVID-19 will have strong implications and consequences for indebtedness, debt service

FIGURE 5: ILLICIT FINANCIAL FLOWS: AFRICA IS THE WORLD'S MAIN CREDITOR, 2011-2018



Source: https://www.cadtm.org/Illicit-Financial-Flows-Africa-is-the-world-s-main-creditor

capacity and debt sustainability (Heltzig, Ordu and Sebelt, 2021). In what has been termed as pandemic debt, African countries have accumulated private and public debt to meet their obligations including payment of salaries and financing of infrastructures.

Heltzig, Ordu and Sebelt (2021) further argue that debt servicing costs, inclusive of principal repayments and interest cost, impose huge pressure on sub-Saharan African countries that are already facing devasted public finances as a result of unanticipated health and stimulus costs and revenue declines associated with the economic shocks. Additionally, debt service costs could have implications for meeting other social needs such as security, funding of education, provision of health and safety nets for the poor and vulnerable. Given this reality, many of the countries in sub-Saharan Africa will be forced to cut back on social spending to meet debt service obligations. As Ihonvbere (1993) argues in the case of Nigeria, reforms and adjustment costs will elicit reactions from progressive forces such as labor unions, student bodies and market women. In Africa where many of the countries are already suffering from the high level of insecurity, debt induced crisis may become worse. It this very critical for governments at national, regional and international levels to devise means through which debts can be restructured or rescheduled.

5. MANAGING DEBT CRISIS POST-COVID-19

The IMF has intervened by either rescheduling debts or proving financial support for many countries in Africa. The COVID-19 Debt Service Suspension Initiative (DSSI) by the G20, and the Catastrophe Containment and Relief Fund of the IMF are appropriate in addressing the current challenge. The $10 billion COVID-19 Response Facility by the African Development Bank will be supportive of efforts toward economic recovery on the continent. While these are commendable, there are concerns that the conditionalities of the Fund could worsen social crisis on the continent through cuts in social spending. Given the philosophy of

China that increased debt does not necessarily pose a risk for economic growth, the country may continue to advance more loans to the continent. This could further worsen an already dire situation. It is thus imperative for African countries to look beyond taking more loans to address the current challenges.

African countries must make conscious efforts to increase domestic resource mobilization through increased taxation, especially on the rich. Tax to GDP ratio is very low on the continent as capacity for collecting debt is generally low. Apart from the need to increase drive to collect value added tax and income tax, efforts should be doubled to be more prudent in collection of taxes from multinational companies.

As there is connection between tax evasion and illicit financial flows, there is a need for a global compact to promote more financial transparency both in the extractive sector, real sector and services sector. More national, regional and global regulations are also required to stem the tide of illicit financial flows. There is a need for an international arrangement to bring all creditors together to compact for a new regime of debt forgiveness, rescheduling and restructuring. Part of the debt to be written off could be deployed to stimulating production under the market opportunities provided by the African continental free trade area. Higher levels of production and economic activities both in the formal and informal sector will boost aggregate demand and stimulate job creation. The cumulative effect of this will be a drastic reduction in the high rate of youth unemployment across the the continent.

Lastly, there is no substitute for strong financial management and prudent use of resources. Given the pervasive culture of impunity and corruption both in the public and private sectors in Africa, it is imperative to deploy technology to monitor revenue flows from sources through to the point of allocation and spending. The use of appropriate technology could help in determining appropriate royalty payment in oil and mineral producing countries, tax collection and collection of duties at the ports.

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Paper 1.2. The Intersections of Gender Inequality, Regional Economic Integration and State Fragility

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ABSTRACT

Gender equality is an important indicator of human security both in terms of political stability and economic development. When states are unable to address the interests and economic priorities of their constituents, the excluded populations can experience a level of marginalization that can lead to intrastate conflict. Regional economic communities (RECs) and regional integration organizations (RIOs) have adopted a series of policy interventions to address inequality and political stability. More specifically the RECs, RIOs, and domestic governments of member organizations have drafted and implemented gender mainstreaming strategies to address gender inequality. Women cannot be treated as a monolith; disparities in access to resources intersect with other demographic categories and factors. This paper is part of a larger study which uses gender inequality to predict state fragility (GISF), through the lens of systematically sampled African countries by combining econometric and case study datasets. The larger GISF model features from all subregions of the continent, however this paper focuses on the qualitative data from a subset of cases.

The goal of this paper is thus to develop and test a theoretical framework capable of predicting when the constraints imposed by social structures create tensions which can lead to a dysfunctional state, conflict, and potentially violence. Gender mainstreaming policies have been adopted by regional, sub-regional governing organizations and domestic political institutions to address the intersecting dimensions of social cohesion. In order to capture the variations in women's experiences in RECs and RIOs, I have developed an Index of Agency (IOA). The IOA reveals how combinations of inequalities produced by political, economic, and social institutions combine to impact women's economic security. Agency is operationalized as having the autonomy to determine one's own economic activities and to successfully address institutional obstacles. The model captures rich data and aims to a) identify weaknesses in state structures that are producing inequalities, b) develop sustainable approaches to addressing inequalities before they lead to conflict, and c) provide targeted approaches to mainstreaming gender equality into regional economic integration policies. The proposed paper is part of a larger project where the model is tested in two countries in each sub-region of the African continent (West, East, North, Southern Africa), because of variability in the presence of multiple RECs and RIOs, levels of inequality and gender equality, and the presence or absence of inter and intrastate conflicts. This UN OSAA paper focuses primarily on a set of West African country case studies, Nigeria and Ghana.

The current pandemic continues to highlight the consequences of maintaining high levels of inequalities in multiple areas on human security. This paper argues that centering the varied experiences of women can help identify structural weakness in the state and RECs. Once identified policies can be developed to generate institutional changes that can mitigate fiscal stressors that often lead to conflict. The study provides a careful examination of the intersecting relationships among inequalities in the context of economic, political, social, educational, Information Communication Technology, and public health institutions. The gender disparities in access to health care include the following indicators: treatment, insurance coverage, medication, personnel and the proximity of facilities. The investments in human capital required to reduce gender inequalities simultaneously serve to promote inclusive and sustainable economic growth. The capacities of state structures to respond to the needs of the most vulnerable members of societies is an important metric of both economic and political stability. Local women's organizations need to have decision making authority in tailoring gender equality policies and monitoring and evaluating them. Placing women's groups at the center of policy implementation and assessments generates institutional changes that are dynamic and capable of responding to new inequalities that may emerge. State fragility can be significantly reduced when tensions surrounding the intersections between economic disparities and other demographic pressures are alleviated.

Keywords: gender equality, regional economic cooperation, state fragility, pandemic

1. OVERVIEW

Gender equality is an important indicator of human security both in terms of political stability and economic development. Gender intersects with other sets of demographic identity categories (e.g. religion, ethnolinguistic groups, etc.) which makes it an ideal lens to examine pressure points and disparities within society. Regional and domestic political systems have adopted gender mainstreaming policies to address the weaknesses in state structures that produce disparate economic outcomes for women. While a critically important step, a significant solvency gap remains between the way formal institutions define and operationalize gender equality policies and the multiple priorities and needs of women on the ground. Therefore, there is a need to understand the realities that women face in practice and generate policy interventions reflective of those realities. The longer state institutions perpetuate inequalities the less effective they become in meeting the needs of women and other underserved populations. The goal of this paper is to develop a theoretical framework that predicts when domestic tensions (fracturing of social cohesion) can weaken the state making it more fragile and potentially leading to conflict, violence and instability. This work uses gender inequality to predict state fragility by combining econometric indicators, case study datasets, conflict forecasting models and systematically applying them through the lens of African countries from across the region. Gender equality policies have been included in regional economic communities (RECs) and regional integration organizations (RIOs) and domestically to address inequality and political stability. Women cannot be treated as a monolith; disparities in access to resources and lack of recourse intersect with other demographic categories and factors. To capture the variations in women's experiences in RECs and RIOs, I have developed an Index of Agency (IOA). The IOA reveals how combinations of inequalities produced by political, economic, and social institutions combine to impact women's economic security. Societal constraints impact the ability of women as an aggregate group to make individual choices about their economic activities and labor. The IOA captures the differences in the ability of some women to successfully navigate the societal constraints while other groups of women are unable to work beyond them. Agency is operationalized as having the autonomy to determine one's own economic activities and to successfully address institutional obstacles and social constraints.

2. STATEMENT OF THE PROBLEM

There are different types of state fragility. Gender equality is an ideal lens through which to observe different types of instability because gender intersects with a full range of demographic factors. Gender mainstreaming in regional economic cooperative treaties and domestic political systems is an ideal bridging mechanism to understand the impact of gender inequality on political instability because it allows for using individual responses to examine aggregate national- and cross-national results. Through illustrating the barriers and obstacles being faced by different groups of women on the ground, detailed policy frameworks can be drafted and adopted to remedy those disparities. The framework developed in this paper will capture individual, aggregate and state-level effects. Much of the current scholarship analyzes these sets of issues, using statistical analysis to illustrate the broader trends. Therefore, the policy solvency gap remains. Forecasting models of state fragility tend to highlight macrolevel trends without fully contextualizing the indicators that are being used. The qualitative data collected through interviews and participant observation gives detailed pictures of women's lived experiences that will be mainstreamed into the analysis of economic participation and state fragility.

This paper is part of a larger project where the author is testing a *Gender Inequality* as a *Predictor of State Fragility (GSIF)* model using two countries in each sub-region of the African continent (West, East, North, Southern Africa). The variability in the presence of multiple RECs and RIOs, levels of inequality and gender equality domestically, and the presence or absence of inter and intrastate conflicts are factors that are incorporated into the analysis. The policy paper prepared for the UN Office of the Special Advisor on Africa utilizes qualitative data from the *IOA* in the West African country case studies, Nigeria and Ghana. The qualitative was featured in order to create concrete policy recommendations that could be adopted at the REC and domestic ministerial levels. These two cases were selected for this paper because, 1) there is a greater significant difference in their scores on the Fragile State Index Scores, 2) they experienced similar political, economic, and social restructuring by the British during colonialism, 3) they have Muslim majority and minority populations, 4) there are similar differences in infrastructure, 5) they have the presence or absence of insurgent activity, and 6) there is a formal office for NGOs in the government in Nigeria while the same kind of office is not present in Ghana. Using these two country case studies this policy paper aims to 1) examine the differences in addressing gender equality between RECs and local women's civil society organizations and 2) identify institutional barriers constraining the full economic participation of women. The entire model captures rich data and aims to a) identify weaknesses in state structures that are producing inequalities, b) develop sustainable approaches to addressing inequalities before they lead to conflict, and c) provide targeted approaches to mainstreaming gender equality into regional economic integration policies. The impact of the pandemic has further highlighted the intersecting issues of economic instability, political instability and inequalities. More specifically the variations in public health infrastructure and access are included in an effort to identify practical remedies to close those gaps.

The findings of this study will include explicit policy recommendations for the RECs, the Economic Community of West African States (ECOWAS) and the Community of Sahel Saharan States (CEN-SAD), domestic governments (national, subnational and local levels), and relevant stakeholders and agencies. The study begins by defining state fragility and state dysfunction and the role of gender inequalities in generating both. Next the qualitative data from the country case studies will be analyzed. The case study data will be used to explain variations in women's economic participation and identify combinations of inequalities produced by weakened state institutions. Finally, the specific policy recommendations for each implementing organization and agency will be outlined.

3. METHODOLOGY

Much of the existing scholarship examines these factors using econometric data and statistical analysis but does not drill down to contextualize what is happening at the local and household levels. This study uses a mixed methods approach which combines statistical analysis of econometric data, conflict forecast modeling trends, content analysis of the gender equality policies of two RECs (e.g. ECOWAS and CEN-SAD), 10 local women's organizations, 150 semi-structured interviews (in each field site), and country case studies. The study utilizes regression and multi-factor analysis of cross-national trade deficits and women's external labor force participation and contextualizes those results using two country case studies from the West Africa sub-region (Nigeria-Ghana). The cases of Nigeria and Ghana in this study were featured because there is a greater than 30-point difference in their Fragile State Index Scores (Nigeria-98.0; Ghana-63.9), they are both formerly colonized by the British, they have Muslim minority and Christian majority populations, and Nigeria has more recent incidents of insurgent activity compared to Ghana. The variations in physical infrastructure and development in the northern regions of both countries are very similar. The external labor force participation of women is higher in Ghana than in Nigeria and Nigeria ranked higher than Ghana on the UNECA and African Development Bank African Gender Index 2019[2] Report. Including one case that is grappling with stability issues in the northern region of the country, Nigeria, and one case that is not dealing with an insurgency, Ghana, provides more insight into the inequality thresholds that are reached before culminating in conflict.

The combination of quantitative and qualitative data can strengthen our understanding of the interactions between gender inequities and the structural limitations of the state. The econometric data sets provide a large aggregate picture of women's economic participation however they do not provide an in-depth look at the multiple factors that impact decisions around labor and participation in the economy. The ability of women to make choices about the work they engage in and obstacles they face are captured through semi-structured interviews. The interviews further illustrate the types of strategies women undertake to overcome or challenge the societal constraints they encounter. The ways in which social expectations around gender norms can be reflected in limited institutional access is described in detail in the interviews. The interviews will be used for the purposes of this policy paper to outline the institutional barriers and constellations of inequality to create tangible policy prescriptions at the sub-regional, national, sub-national and local levels. The organizations selected include a cross section of non-governmental organizations (NGOs) and community-based organizations (CBOs) and the participants selected for the interviews were identified using snowball sampling (Leech, 2002). The qualitative data is heavily featured in this paper because it reveals the factors on the ground that

2 https://www.afdb.org/en/documents/africa-gender-index-report-2019-analytical-report

can be translated into tangible policies and institutional interventions. Conflict forecasting models identify overall trends in the fragility of the state through combining the resulting patterns in the cohesion, economic, political, and social indicators. The interviews and content analysis of local women's organizations programming contextualize these larger statistical patterns identified in the forecasting models. By placing these trends in context based on the endogenous factors in country case studies the different impacts of inequalities on state fragility across national contexts can be discerned. The comparison of how gender equality is operationalized by local women's organizations and the RECs and domestic Ministry of Women's Affairs (Nigeria) and Ministry of Gender, Children and Social Protection (Ghana), illustrate the gaps in the definitions and priorities between civil society and state entities.

The intersectional analysis used in this study produces dynamic pictures of how underlying political, economic and social factors impact women's economic experiences and how women react to these institutions. Through the incorporation of datasets from 2012 the study is able to identify contemporary issues with trends over a decade. The qualitative data collected through 150 interviews and content analysis of local women's organizations will provide detailed pictures of women's lived experiences that will be integrated into the GISF model. The women participating in this study are a representative sample of women across levels of privilege and engaged in a range of economic activities. The IOA uses individual-level gender indicators (e.g., labor force participation, decision making authority) to identify relationships to components of state fragility, providing a method for coding gender indicators to test short term and long-term effects on conflict forecasting models. Typologies of the combinations of weakened state and social institutions that can culminate in conflict are captured by this study and contextualized at the household and national levels. The IOA supports a series of insights into motivational factors used in conflict forecasting through capturing the perspectives of multiple groups on the ground.

3.1. DESCRIPTION OF PARTICIPANTS

The women participating in this study will be a representative sample of women across levels of privilege and engaged in a range of economic activities. Participants will come from multiple economic sectors, firms of all sizes, private and not-for profit organizations, and government agencies. The age ranges of women will extend into their 80s because labor does not end at 64 years of age but continues throughout the lifecycle (Wallace, 2018). Women will be interviewed in urban and rural communities within each country field site in order to obtain internal domestic geographic differences. The women represent the intersections of multiple ethnolinguistic groups (majority and minority status), income (individual and household), family lineages, formal education, Islamic education, marital status (married-polygamous/monogamous, unmarried, widowed, divorced). The specific types of work included are a) private sector small and medium sized enterprises (industries/sectors-agriculture, food stuffs, technology, banking, telecommunications, fashion/clothing, beauty, health, education, child/elder care), b) women in civil society organizations, NGOs, CBOs, c) national women political officials (ministers, legislators, executive), d) sub-regional women political officials (RECs, RIOs), e) work without monetary remuneration (care work). I selected labor sectors where women are over or underrepresented. Social Network maps will be developed based on the interview data. The social network maps determine how many degrees of separation that exist between an individual and a key decision maker within political, economic, and social institutions. The political officials participating in this study represent a cross section of ministries, offices and levels of governance that include local, sub-national and national state structures, and officials from the

RECs, RIOs and at the African Union Commission. Collectively, these individuals are responsible for translating gender equality into policies that can be implemented, monitored and evaluated.

3.2. INDEX OF AGENCY

The IOA will highlight the micro-level economic experiences of women including 1) their ability to make decisions about the types of work they undertake, 2) the specific institutional barriers they encounter, 3) the strategies they employ to address any obstacles, 4) their success in removing structural impediments. The IOA includes a survey that has already been developed and semi structured interviews that will be conducted. A total of 150 women in each country case study will be interviewed in Nigeria and Ghana respectively. A survey is being developed based on the results of the semi-structured interviews. The survey will be distributed to an independent sample of 200 women in each country field site during the summer of 2022.

A qualitative content analysis of the semi-structured interviews will be conducted in order to identify themes and sub-themes to compile a detailed description of the level of agency based on the four measures of gender equality described above. The results of the interviews will be used to distill the specific kinds of structural barriers that result in equalities experienced by women. The results of the qualitative content analysis will be compared with the results of the IOA survey to determine points of congruence and divergence, and to determine any additional probing questions that need to be added to the survey which will be distributed. The IOA is broken down into three tiers with a range of 1-3 within each. The experiences of women in the lowest sphere, with the least amount of agency, will be featured in this policy paper because they represent the most vulnerable groups. Successfully addressing the issues faced by women that are the most institutionally marginalized across multiple sectors can help improve the conditions for other cross sections of society and strengthen formal economic political and social structures and mechanisms of the state and regional and sub-regional governing organizations. Comparing the two sets of narratives produced by the survey and the semi-structured interviews will help ensure that the reported economic experiences of women can be further contextualized through their own stories.

3.3. REGIONAL ECONOMIC COMMUNITIES & DOMESTIC MINISTRIES

The macro-level analysis includes a content analysis of the gender equality policies adopted by the regional economic communities, regional integration organizations and continent-wide trade treaties in Africa as a region. A content analysis of the policy prescriptions of the Ministries of Women's Affairs and Gender in Nigeria and Ghana respectively will be included in the analysis. The content analysis of the treaties and of the local women's organizations will be compared in order to identify any gaps between how the policies were defined and then operationalized by civil society groups compared to sub-regional and domestic governing bodies.

3.4. CONSTELLATIONS OF INEQUALITY

There are six kinds of institutions that will be incorporated into my larger cross regional GSIF model: a) economic institutions, b) political institutions, c) social institutions (cultural & religious), d) educational institutions, e) information communication technology (ICT) infrastructure, f) public health institutions.

The analysis will yield the constellation of inequalities by carefully identifying and describing the sets of interactions across structural barriers that individual women report experiencing. For example, if a woman is trying to obtain some of the contract set asides for women owned small businesses, she may be unable to do so if her business is not registered and recognized by the state. Barriers to registration could include not having: 1) a bank account, 2) a physical office location, 3) registration forms translated into local languages, 4) registration and certification fees, 4) internet access to submit forms to compete for contracts. The ways in which these institutions inadvertently produce disparities among particular groups will be identified. Once these interactions are identified, policy interventions can be implemented that will address the root causes of inequalities. Centering these types of individual economic experiences of women make visible the bottlenecks that gender equality policies in RECs and RIOs face in domestication.

3.5. MOTIVATION FOR CASE SELECTION IN THE LARGER GISF PROJECT

In the larger project, the GISF is being tested in different sub-regions because the variability in the country cases will allow me to assess the robustness of the model most effectively. In order to study the different types of instability produced by constellations of inequalities, two country pairs in each sub-region of the continent have been selected: West Africa (Nigeria-Senegal), East (Rwanda-Ethiopia), North (Morocco-Tunisia), Southern (Namibia-Angola). Three independent variables were used to select country pairs: 1) Gini coefficient (an inequality measure), 2) trade deficits, and 3) history of conflict. All of the countries are members of at least one RECs or RIOs. The pairs represent the highest and lowest levels of inequality, Human Development Index scores, and Gender Inequality measures (regional-African Union Commission and global-UN). Each country pair has a recent/on-going conflict or no-conflict designation. Each pair represents a range of demographic factors including a) majority or 50/50 Muslim populations-Muslim minority populations, b) colonial institutional legacies (British, French, German, Portuguese), c) ethnolinguistic groups. The physical and policy environments of the pairs differ in terms of ICT readiness and the adoption of gender quotas.

4. MAINSTREAMING GENDER EQUALITY IN RECS

States attain security for their populations through a combination of political stability and addressing economic needs and inequalities. Ideally, states represent the interests of their populations and are held accountable if those populations' interests are excluded. States become fragile when groups experience marginalization and exploitation, and national identities become fragmented—all of which can be precursors to inter- and intrastate conflict (Caprioli, 2005). The relationship between inequality and political instability has been well-established (Robinson, 2003, Cramer, 2005; Ostby, Nordas, & Rod, 2009; Buvinic et al., 2013; Baker, 2014; Forsberg & Olsson 2016; Hudson, Bowen, Nielsen, Perpetuya, 2016), with gender inequality yielding similar predictive results. The state is considered dysfunctional when public goods, services, and the descriptive components of democracy are systematically not available for particular segments of the population consistently. The state becomes fragile when the dysfunction remains sustained in place without effective mechanisms for recourse. Domestic governments have taken a myriad of policy approaches to address gender inequality. Regional and sub-regional responses have attempted to standardize these measures to increase women's economic participation. States and regional economic cooperative groups have adopted quotas and policies to promote gender equality; however, there have been few empirical tests of their direct material impacts.

When the state is not responsive and produces inequality, it is predicted to increase state fragility and instability because inequalities are interconnected. There are different types of state fragility. This work identifies institutional weaknesses within individual state structures and illustrates the ways in which they combine with inequalities in other institutions. This policy paper identifies sets of risk factors and places them in comparative context to learn more about how specific countries may be more susceptible to conflict resulting from state fragility while the same weaknesses may not generate intrastate conflict within other countries. These relationships are captured and denoted with the term constellations of inequalities. These typologies of state fragility will be used to predict the relationships between the particular kinds of fragility and the duration of inequalities which can provide a range of thresholds that can be reached before intrastate conflict develops. The IOA aims to predict variations in the types of inequalities women encounter; analyzing these differences will illustrate how multiple forms of inequality combine to undermine state responsiveness in particular ways. This work makes it possible to capture and translate differing priorities of women and other underrepresented groups into substantive macro and micro economic policy. The IOA creates new knowledge about the institutional factors that impact external labor force participation, which can be utilized in domestic and international contexts to provide inclusive sustainable growth. The work quantifies how privilege can increase or decrease the ability of women and other populations to use political, economic, social, cultural and religious institutions to successfully remove barriers to participation.

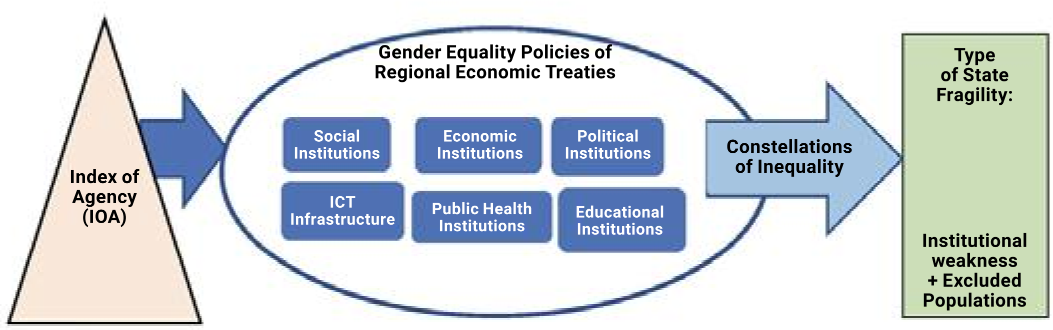
The conceptualization of gender equality utilized in this study allows specific effects and dimensions of inequalities to be isolated by building on the works of African feminists that recognize that gender norms stem from and can transcend the societal roles ascribed to people based on the sex assigned at birth (Mama, 2001, 2004, 2011; Oyewumi, 2006; Mama & Okazawa-Rey, 2012). It is imperative that gender is not conflated with biological sex. Gender is not a substitute for other demographic categories rather an intersectional analysis can help explain how multiple demographic factors impact ability to participate fully in terms of labor, agency and then how discrimination is addressed. The dimensions of gender featured in security studies often include 1) economic, 2) political, 3) social, and 4) physical security (Forsberg & Olsson, 2016). The IOA adds agency as a fifth dimension in theorizing gender equality. Perceptions of individual agency in terms of the ability to both attain stated goals around economic activity and address institutional barriers (successfully or not) is a critical component of understanding how inequality functions.

Women's economic security has become a feature of regional economic treaties and less formal agreements because it 1) promotes sustainable growth and regional economic integration and 2) is positively correlated with reductions in interstate violence (True, 2008; Buvinic et al., 2013; Forsberg & Olsson, 2016). The model will analyze the gender equality protocols and treaties that have been adopted by the African Union Commission (AUC, a regional organization), and sub-regional economic communities (RECs) and regional integration organizations (RIOs). The recent passage of the AUC 2063 Agenda (2015) and the Continental Free Trade Agreement (CFTA) both emphasize the critical role of regional economic integration and blending of the informal and formally economy (Juma & Mangeni, 2018; Quisumbing, Meinzen-Dick, Njuki, 2019). The majority of workers in the informal economies in Africa as a region is over 80% women, as is the majority of workers in the agricultural sector (Meagher, 2010; UNECA, 2011; AUC, 2012, 2015; AUC, AfDB, UNECA, 2017). Gender inequality is not experienced the same way by every woman. Personal economic experiences on the level of the individual women are expected to reveal how combinations of inequalities create state fragility. Multiple dimensions of gender inequality at the household-level, including how women respond to institutional constraints are assessed in this study. The IOA will capture the relationships between the different definitions of gender equality and variations in the economic experiences of women at the individual, regional, sub-regional, and national levels. Gender mainstreaming in regional economic cooperative treaties is an ideal bridging mechanism to understand the impact of gender inequality on political instability because it allows for using individual responses to examine aggregate national- and cross-national results. The intersectional analysis produces dynamic pictures of how underlying political, economic and social factors impact women's economic experiences and how women react to these institutions.

The GISF model aims to identify the ways that women experience constraints on their economic activities and predict the specific types of weakness in the state these barriers generate and depict. Inequality has multiple dimensions and includes a range of institutions at each level of governance (local, sub-national, national, sub-regional, regional, global). The key institutions incorporated into this model include: 1) economic institutions (access to capital, human capital investments, renumeration, formal financial institutions, labor markets, registration requirements for firms), 2) educational institutions (literacy, primary, secondary, tertiary post graduate education), 3) political institutions (policy frameworks, legal frameworks), 4) social institutions (cultural, religious), 5) infrastructure (ICTs, Internet, roads, clean water, sanitation), and 6) public health institutions (healthcare access: mental & physical, insurance, treatment, medication, facilities, personnel). (See Figure 1 below)

The COVID-19 pandemic underscores the urgency of addressing economic inequality and human security on a global scale. The GISF model will be extended, which was conceptualized prior to the pandemic, to test the pandemic's impact on state fragility and agency. The impact of the pandemic on state fragility and agency can be analyzed using both the model's IOA and its constellations of inequality. My measures of gender inequality include specific indicators for access to health care, treatment, insurance coverage, medication, personnel and the proximity of facilities. Public health infrastructure is examined among the state institutions that are tested for critical weaknesses. The intersecting relationships among economic, political, social, ICT, and public health infrastructure, access to education and literacy, result in the impacts of the pandemic on state fragility being assessed beyond health explicitly.

FIGURE 1: GENDER INEQUALITY AS PREDICTOR OF STATE FRAGILITY (GISF MODEL)



5. GENDER INEQUALITIES & CONFLICT FORECASTING

There are multiple factors attributed to state failures, including quality of life, functioning democratic structures, and participation in global trade. Security studies scholars have established an empirical link between high levels of inequality (Robinson, 2003; Cramer, 2005), specifically gender inequality and high levels of inter and intrastate conflict (Caprioli, 2005, Forsberg & Olsson, 2016). The majority of these studies theorize gender along three dimensions: a) norms, b) social capacity, and c) socioeconomic status (SES). Socioeconomic status, the most recently added component (Forsberg & Olsson, 2016), is defined as a combination of income, occupation, and formal education. While critical, this conceptualization of SES does not reveal how privilege functions, allowing some women more autonomy to define work on their own terms and cope with institutional barriers. There is need to develop models that can unpack such complexities of inequality. If we can understand how inequalities intersect, we can forge more effective state responses.

Understanding the complexities surrounding how identities impact the ways in which individuals perceive their autonomy and power within the state includes understanding individuals' willingness to negotiate and cooperate to avoid conflict (Suedfeld, 2010, 2011; Conway et al., 2018). Early warning systems have outlined a range of key indicators (e.g., regime change, perceived relative deprivation) (Gurr & Lichbach, 1986; Goldstone et al., 2010; Blair & Sambanis, 2020). The majority of forecasting models tend to include economic variables that are not contextualized domestically making it difficult to explain how inequalities and the individual motivations of actors vary by country. Gender inequalities are often treated as dependent variables or outputs (Natali, 2020) whereas in this study they are treated as input variables. The incorporation of the perspectives of individual actors as they relate to systematic discrimination and opportunity constraints extends the work of Suedfeld exploring the relationships among the complexities of identity and political stability. The GISF model utilizes economic variables endemic to domestic and sub-regional systems and uses agency to determine how individuals and groups experience and attempt to resolve structural disparities in access to resources. The study attempts to answer the why questions around what motivates actors and suggests ways that stability can be improved without using military force. The full integration of the multiple components of gender into forecast modeling is challenging. The questions about how to accurately code complex gender-related constructs make it difficult. The IOA provides an opportunity to empirically test agency as an attribute of gender equality through measuring the gap between idealized economic activities and lived economic experiences.

The Fund for Peace developed a Fragile State Index (FSI) (2017) that utilizes quantitative economic indicators, content analysis from media and other reports, and qualitative assessments of critical junctures in individual countries to assess the level of state fragility [3]. The FSI identifies "group grievances, economic decline and poverty, uneven development, human rights and the rule of law, state legitimacy and demographic pressures" as key indicators that can cause states to be more susceptible to becoming dysfunctional (7-12, 2017). Although FSI does not explicitly utilize gender inequalities as a measure, they examine the interactions among economic inequalities, social exclusion and legitimacy of the state. Forecast models that often include gender-based violence as one dimension of gender equality do not address all of the multifaceted components of gender. The State Department and Department

3 https://fragilestatesindex.org/wp-content/uploads/2017/05/FSI-Methodology.pdf

of Defense have generated forecasting models and early warning systems for conflict integration for countries in multiple regions, with the Gender-Sensitive Indicators for Early Warning of Violence and Conflict: A Global Framework, which is a critical development (IFES, State Department, 2021). This forecasting model defines gender more broadly and includes the following categories: 1) security and justice, 2) social norms and gender equality, 3) politics and governance, 4) economic factors, and 5) other. The role of perception indicators (perspectives of individual actors) is essential because it bridges the connection between the structural indicators, which tend to be long-term indicators with data collected once a year, and dynamic indicators, which examine specific behaviors and events that may foreshadow conflict or violence (IFES, State Department, 2021). Economic indicators are conceptualized by women's attempts to quickly acquire cash and their rates of unemployment. The IFES and State Department model's gender categories examine primarily effects of gender inequality (e.g., things done to women) but do not incorporate the goals women have for themselves and their strategies for addressing discrimination and disparities. An emphasis on women's own definitions of gender equality and individual efforts to engage with or react to institutional constraints/opportunities are captured in my GISF model. GISF and IOA highlight the key sets of mechanisms that perpetuate marginalization for different intersectional groups of women. The IOA measure is an alternative approach to measuring impacts of institutional inequalities including a) the ability to select economic activities (participation and non-participation), b) identifying obstacles to economic engagement across institutions, c) concrete policy recommendations to address the obstacles.

By examining how or whether national and sub-regional institutions are addressing gender inequality, we can determine whether they are increasing or reducing inequality and political instability. Regional economic cooperative treaties are ideal institutional responses to analyze because they provide comparative insights into gender gaps at the national and household levels. The relationships between economic security and political stability have been established (Nye, 1974; Keefer & Knack, 1998; Gyimah-Brempong & Traynor, 1999; Waever, 2008; Rickards, 2009; Ronis, 2012). Moreover, scholarship on human security in Africa emphasizes the importance of accountability, transparency, human rights, the rule of law and the "role of women in social and economic development" (Cilliers, 2004, p. 6). Development requires social inclusion and strengthens state institutions (Deacon, 2016). Therefore, attaining gender equality and incorporating other marginalized groups into inclusive and sustainable growth and economic development frameworks is paramount. There have been several theoretical developments around the most effective ways to measure women's economic participation and engagement. The work done to establish gender statistics into econometric data by the International Labour Organization (ILO), UN Economic Commission for Africa, the AUC, African Center for Statistics ACS), African Development Bank (AfDB), and the work of feminist economists have been pivotal.

The current advances in gender statistics reflect a commitment to reconceptualizing work and developing datasets that reflect the diverse economic experiences and priorities of women. Work is conceptualized as labor activities performed, where individuals may or may not receive renumeration. The ILO and NSOs have made methodological innovations, including revising their surveys, creating questions that are more probing, and offering training to advance gender mainstreaming in labor statistics. They have established gender data networks to provide capacity building of local national statistical offices (NSOs). The ILO has developed the Descent Work Labor Framework, Gender Statistics Divisions, and the Data 2X platform in a concerted effort to address gender equality globally. UNECA, the AfDB, and the ACS created the Africa Program on Gender Statistics, African Gender and Development Index (AGDI), African Gender Equality Index to regionally contextualize gender disaggregated economic data. The IOA provides this kind of contextual data at the individual and household levels, coupled with capturing women's agency in addressing barriers and women's relative levels of privilege. The variations in women's experiences become visible with the index. The impact of other intersecting factors (e.g., religion, socioeconomic status), are assessed.

The underlying assumption, that full integration into the global economy has a net positive benefit for women and is the best method to address gender inequality and state fragility, must be interrogated. Subjecting women to external market forces and the governance structures of global financial institutions without understanding the empirical impacts on their daily lived economic experiences could have negative consequences (Pyle, 2003; Keating, Rasmussen, Rishi, 2010). The objective of this approach is to access, rather than transforming the existing institutions that were responsible for the marginalization in the first place (Rankin, 2002; Roberts, 2012; Wilson, 2015). Additionally, many feminist economists have highlighted the potential exploitation that different groups of women may experience when integrated into global markets without careful attention and this could exacerbate gender inequality and therefore increase state fragility. The majority of the feminist scholarship on gender inequality, geographically based economic groups, and trade treaties tends to focus almost exclusively on the provisions in policies and/or the ability of civil society and women's groups to successfully push institutions to adopt gender inclusive measures (Rai, 2008). While making a critical contribution, these studies do not systematically link the policy frameworks to economic security to evaluate the impacts. In order to address inequality, the barriers that place restrictions on the economic activities that women undertake need to be removed (Aterido, Beck, Iacovone, 2013). A different approach is needed to identify and change the pervasive institutional obstacles to women's fiscal stability. Increasing state capacity to address the needs of their constituents creates stability and formal systems that can accommodate new groups and accompanying social structures.

Women in the Africa region are overrepresented in both the informal economic sectors and agricultural production. Although the delineation between formal and informal economic activities is often blurred., The study will capture the diverse experiences of women within and across national and sub-regional contexts using both quantitative and qualitative data. Although policy decisions should be driven by quantitative data, qualitative data—women's stories—are powerful levers to communicate with policy makers and stakeholders about the institutional barriers to attaining inclusive sustainable growth through regional integration. In addition, developing theories capable of reflecting the different experiences that women have with economic activity is critical to avoid treating women in Africa as a monolith. This project will also analyze the key areas of focus of each of the economic treaties: a) the operationalization of the gender equality mainstreaming in the economic treaties and agreements and b) the mechanisms of institutional accountability for the RECs among different populations of women residing in their member states. The RECs and RIOs provide the larger context in which the other institutions are examined—political, economic, social (cultural and religious), public health, ICT, infrastructure, and education.

6. DATA & ANALYSIS SUMMARY

6.1. KEY ECONOMIC INDICATORS & FRAGILE STATE INDEX

The key econometric indicators, external labor force participation for Nigeria is 45.5% (2019) and 63.85% in Ghana[4].

6.2. FRAGILE STATES INDEX (FSI)

The FSI designations result in a lower score indicating less fragility. The results of this work could be utilized to identify regionally based metrics for stability. This paper could contribute to the development of new or modified indicators and issue areas utilized to develop measures and conceptualizations of state fragility. Nigeria has a higher FSI score, 98.0, than Ghana, 63.9, indicating that Nigeria is more fragile than Ghana. Below are the trends for Nigeria and Ghana from 2006-2021.

The FSI score for Nigeria (Figure 2) in 2021 is 98.0[5]. While the overall score dropped significantly after 2016, the pandemic has reversed that trend, which is now illustrating a steady increase. The specific dimensions that are increasing the vulnerabilities of the Nigerian state include demographic pressures, the economy overall and economic inequality specifically.

The FSI score for Ghana (Figure 3) in 2021 is 63.9. In Ghana a significant decrease in the score occurs in 2015. The impacts of the pandemic have resulted in the decline stopping and instead reaching a plateau. The factors that are increasing particularly vulnerabilities are inequality and demographic pressures that are rising.

6.3. RECS & LOCAL WOMEN'S ORGANIZATIONS

The impact of RECs on intra-regional trade for both ECOWAS and CEN-SAD vary. Based on data from the 2016 UNCTAD stats, the share of intra-regional trade for ECOWAS among other RECs was 10.7% and 5.6% for the remainder of the continent. Additionally, it has some of the highest levels of trade within the region among all of the RECs. The share of intra-regional REC trade for CEN-SAD is 7.5% and 4.1% for the rest of the continent outside of the RECs. There are some key differences among the rankings of exports of goods based between ECOWAS and CEN-SAD. Intra-regional exports for ECOWAS include natural resources (54.5%), manufacturing (29.7%) and food and agriculture (15.8%) and for CEN-SAD manufacturing (42.9%) is also first, however, natural resources (35.4%), and food and agriculture comprising 21.7% rank second and third. The sectors in the economy where women tend to be overrepresented include agriculture and informal economic activities that would need to be disaggregated from these formal sectors in order to gain accurate assessments of their participation. These totals do not include service sector work across borders, to include care work (child and elder care) and home healthcare work. The E-commerce figures in 2017 for ECOWAS are 34.9 and 33.4 for CEN-SAD. Labour productivity decreased in 2017 for CEN-SAD from 39.5 to 31.8 and ECOWAS experiences a minor decline from 20.9 to 20.0.

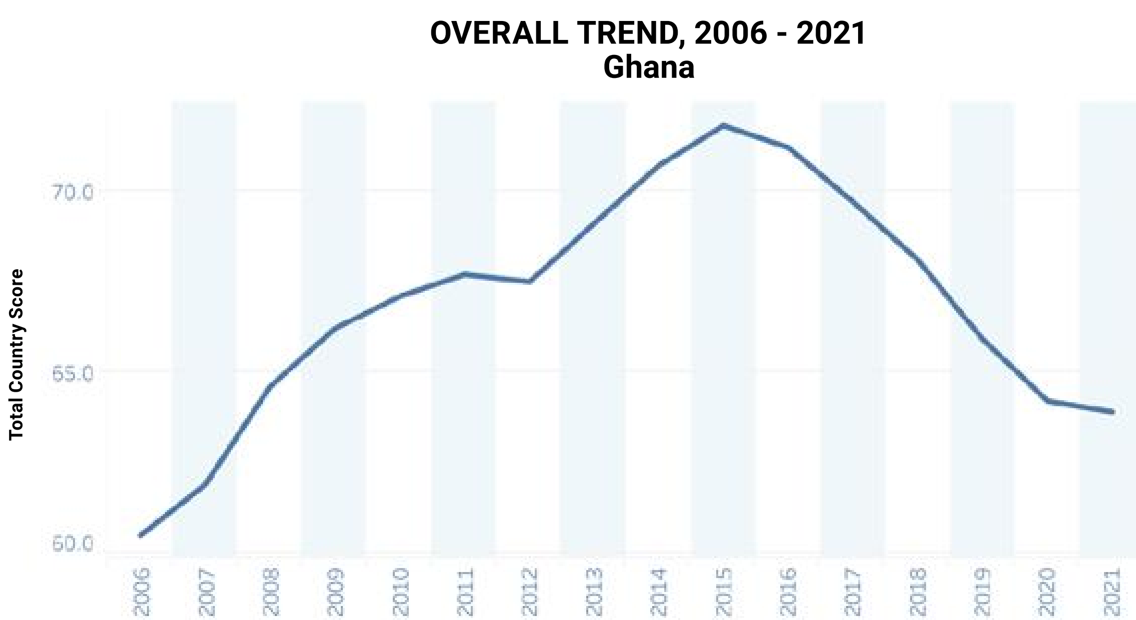
Understanding these broader trends and limitations allows us to contextualize some of the larger disconnects between the goals of addressing gender equality among regional integration organizations and the priorities and requirements of different groups of women based on their levels of agency and privilege.

4 https://ilostat.ilo.org/topics/women/
5 https://fragilestatesindex.org/country-data/

FIGURE 2: OVERALL TREND, 2006 - 2021 NIGERIA

Source: https://fragilestatesindex.org/country-data/

FIGURE 3: OVERALL TREND, 2006 - 2021 GHANA



Source: https://fragilestatesindex.org/country-data/

Table 1 below summarizes the results of the content analysis of two key features of the RECs gender equality mainstreaming agreements, 1) the operationalization of gender equalities and 2) the presence of any mechanisms to promote institutional accountability of the RECs to different groups of women within their member states. The two RECs featured are the Economic Community of West African States (ECOWAS) and the Community of Sahel Saharan States (CEN-SAD). These two groups were selected because Nigeria and Ghana are members of both RECs.

Table 2 summarizes the ways in which different local women's groups in Nigeria and Ghana define their gender equality priorities to promote economic engagement and the presence of structures to help ensure that women that are represented by the organizations are able to provide feedback and hold the groups accountable for representing their different interests. The greater specificity of the local women's organizations moves beyond these themes and outlines ways to concretize them and generate structural changes that perpetuate the disparities.

6.4. INDEX OF AGENCY & CONSTELLATIONS OF INEQUALITIES

Table 3 combines the results of the interviews with women that scored in the lowest category on the IOA, tier C. The factors that resulted in their scores being in tier C include lack of formal education, income, social capital, limited autonomy to

TABLE 1: SUMMARY OF GENDER MAINSTREAMING IN ECOWAS & CEN-SAD

REC	CONCEPTUALIZATIONS OF GE & ECONOMIC PRIORITIES	MECHANISMS OF INSTITUTIONAL ACCOUNTABILITY
Economic Community of West African States (ECOWAS)	* Increasing women's SMEs * Capacity building institutions & orgs. * Equal access to basic goods & services * Economic empowerment * Human Rights * Conflict * Governance * Peace & Stability	* Special Agency on Gender & Development * Gender & Development Center
Community of Sahel Saharan States (CEN-SAD)	* Regional Security * Sustainable Development * Education (cultural, technical, scientific) * Economic participation increase Women	* None specified
Ministry of Women's Affairs-Nigeria	* Gender equality mainstreaming national & international contexts * Gender equality mainstreaming in public & private sectors * Health * Women's Rights & Gender Development * Sustainable development * Women's Education, Empowerment Training & Organizations * Women centered NGOs * Women & Gender Policy Management	* National Centre for Women Development (NCWD) * Gender Desk Office (Ministries, Line Agencies)
Ministry of Gender, Children, & Social Protection- Ghana	* Include women in every sector of national development * Increase access to social welfare * Providing income security at the household levels * Advance the social, economic, and emotional stability of families	* National Council for Women and Development

Source: Author's compilation

determine if they would participate in the external labor force market and if they decided to participate, they were not able to select their preferred types of economic activities. Women that scored in this last tier had little flexibility to determine the conditions under which their labor occurred. The social network maps of these women were often characterized by differing degrees of separation among decision makers in formal economic and political institutions and social, cultural and religious ones. The other factors that were important include their domestic sub-regional location and the majority and minority statuses of particular demographic categories such as religion.

Finally, the majority of the women interviewed in both country case studies shows that, while engaging in informal economic activity that arerenumerated, they also provide labor in both the formal and informal sectors that is not compensated monetarily.

The similarities of the key obstacles that participants in Nigeria and Ghana reported facing are depicted with their corresponding institutions in table 3. The points of congruence across the two country case studies are highlighted in order to outline specific policy prescriptions that can be instituted to address these gender inequalities and

TABLE 2: SUMMARY OF GENDER EQUALITY PRIORITIES OF LOCAL WOMEN'S GROUPS

TYPE OF CSO	CONCEPTUALIZATIONS OF GE (LOCAL WOMEN'S CSO)	MECHANISMS OF ORGANIZATIONAL ACCOUNTABILITY (LOCAL WOMEN'S CSOS)
NIGERIA Non-Governmental Organizations (NGOs) * umbrella organizations * individual NGOs * issues: health, education, democracy, vulnerable populations, faith-based groups Community Based Groups (CBOs) * issues: development committees, trading cooperatives, traditional birth attendants, small scale food stuffs	* increase access to fiscal capital * removing collateral requirement * business development * basic fiscal literacy * training for health care work * increase access to contract set asides * better telecommunications network stability & access * inclusion in designing gender equality policies * increase access to healthcare facilities	* direct connectivity NGO umbrella and CBOs * decision making via consensus vs majoritarian votes * autonomy to form coalit
GHANA Non-Governmental Organizations (NGOs) * issues: political engagement, LGBTQ+ groups, faith-based groups, health, education Community Based Groups (CBOs) * issues: development committees, trading cooperatives, textile/clothing production, sub-regional groups, small cale food stuffs	* increased access to capital * increased access to equipment and facilities * increases in local government institutional support * inclusion in designing gender equality policies * increase access to health care services and medications	* direct NGO-CBO missing link among some demographically minority groups

Source: Author's compilation

TABLE 3: SUMMARY OF THE INSTITUTIONAL BARRIERS REPORTED BY WOMEN IN NIGERIA & GHANA WITH THE LOWEST IOA SCORES

	ECONOMIC INSTITUTIONS	POLITICAL INSTITUTIONS	SOCIAL (RELIGIOUS & CULTURAL) INSTITUTIONS	EDUCATIONAL INSTITUTIONS	ICT INFRA-STRUCTURE	PUBLIC HEALTH
1	* Ability to access capital (firm registration)	* Existence of gender equality policies & quotas	* Authority to change cultural gender norms * Descriptive representation * Symbolic representation	* Adult literacy rates - official language - local languages	* ICT policy adoption * ICT policy implementation	* Access to Healthcare facilities
2	* Human capital investments * University education * Vocational Education * Updated trainings by industry	* Knowledge of quota policies * Knowledge of institutions implementing quotas	* Authority to change religious gender norms * Descriptive representation * Symbolic representation	* Increasing literacy rates among girls & boys * Childcare in schools	* Internet Access (Broadband subscription) * Reduction in outages	Mental Healthcare access
3	* Wages	* Presence of enforcement mechanisms for quotas & discrimination * Utilization of enforcement mechanisms for quotas & discrimination	* Leadership positions in cultural institutions	* Primary School Completion * Fees * Books	* Technology innovation & access * Influence on the adoption of technology based on labor requirements	* Insurance coverage * Public options without copays * Disparities in facilities that accept public insurance
4	* Access to formal financial institutions * Mobile banking functions compared to formal ones * Financial transitions via apps	* Women in legislatures & executive office * Women in office at local government levels	* Leadership positions in religious institutions	* Secondary School Completion * Fees * Books	* Access to good Roads * Repairs occurring after issues are reported	* Treatment access to specialists * Challenges with referral systems * Logistical issues * Need formation of medical teams * Continuity of care
5	* Labor force participation * Lack of infrastructure by industry	* Legal protections (criminal-workplace) * Filing grievance	Public changes in women's roles within last decade cultural institutions	* Tertiary education * Tuition * Textbooks * Hardware * Retention	* Access to clean water in the home or on the compound * Consistent access to water	* Medication availability at local dispensary * Fees
6	* Investment in economic sectors	* Invoking gender based legal discrimination precedents	Public changes in women's roles within the last decade religious institutions	* Post-graduate education * Retention	* Sanitation systems that are consistent	* Personnel * Recruitment of women * Retention of staff

Source: Author's compilation

fortify the connected state institutions. There are of course differences between the economic experiences of women in Nigeria and Ghana, however in this paper emphasis was placed on understanding the issues that both cases had in common. Implementing policy prescriptions based on the cross-cutting issues identified in both country case studies can also provide further insight into how state structures are strengthened when they are more responsive to the needs of their populations. Given the key role that RECs play in addressing gender equality for all of their member states, it is important that a set of recommendations that can be adopted across national contexts are derived.

7. KEY FINDINGS

Ideally women would have the ability to make decisions around their participation in the economy based on their own priorities and needs. The reality on the ground is that women face two sets of obstacles in attaining their goals around economic engagement. The list of specific obstacles women face based on each dimension is outlined in detail in table 3. The gender disparities in human capital investments make it more difficult for women to execute their own choices around labor and work. The introduction of gender mainstreaming in the policies of the RECs and at the ministerial levels are not necessarily felt as directly on the ground in the daily lived economic experiences of women. The gap between the policy frameworks and material realities of different groups of women must be addressed if gender inequality is going to be reduced.

The goal of this paper is to center the experiences of women with the least amount of agency in order to develop and implement policy prescriptions that can begin to address the different types of intersecting inequalities they face. An emphasis on the economic, political, social (religious & cultural), educational, ICT and public health institutions outlined in table 3 will help facilitate the ability of small-scale trading to benefit from regional integration and generate more sustainable and inclusive models of economic development. More specifically, regional production networks that are often extremely weak hamstring the ability of RECs in general to capture domestic markets. These issues are further compounded for women-owned firms regardless of the economic sector. Listed below are critical conceptual approaches to regional integration that need to be adopted based on the results from two of the country-case studies:

7.1. MAINSTREAMING GENDER EQUALITY IN RECS RECOMMENDATIONS:

- Quantitative metrics cannot be used exclusively. We need to understand the microprocesses that inform and shape women's ability to make choices around labor and renumeration.

- The integration of informal economic activities into the formal economy cannot occur without ensuring that women receive institutional benefits and additional eligibility for access to state resources to support their work. The taxation system of the informal work needs to be commiserated with the revenue that is being derived from those activities. The informal activities being under the purview of the state should not result in punitive surveillance of women's work.

- Regional economic agreements are heavily dependent on the state parties which can exacerbate gender inequalities because of structural issues. Therefore, similar types of accountability mechanisms for state governments at the national, sub-national and local levels should be mirrored by those of the RECs.

- The human rights frameworks referenced in different RECs should institutionally reference and be based upon the AU-Charter on Human and People's Rights in Africa, Protocol on the Rights of Women.

- There is a requirement to integrate and mainstream gender equality into all sectors of the regional economic integration plan in addition to having an organizational body responsible for monitoring and evaluating its implementation and effectiveness.

- There needs to be a greater buffer and protectionists trading policies for small and medium sized firms for women and other vulnerable groups for participation in the global, regional, and sub-regional markets.

- There is a need for specific gender equality targets and metrics across sectors.

- There should be greater input from local women's organizations and activists which shapes the priorities and goals of RECs and domestic members states. This will allow for streamlining and tailoring of the needs of different groups of women into the policy frameworks. Local women's groups even if they are not formally registeret4ed as NGOs or part of umbrella NGOs should be a key part of the monitoring and evaluation processes.

- Inclusion within policy prescriptions is necessary but an insufficient condition. Institutions need to be transformed in order to address inequalities.

7.2. MAINSTREAMING GENDER EQUALITY IN THE MINISTRY OF WOMEN'S AFFAIRS AND/OR GENDER IN NIGERIA &GHANA RECOMMENDATIONS:

- Local women's organizations should have a key role in oversight. More specifically these groups need to help devise the policy priorities and the metrics utilized for monitoring and evaluations.

- The local women's groups that have policy oversight need to rotate in order to ensure that no single group's perspective is dominant.

- The formal relationships among the state and civil society needs to largely be limited to accountability. Women's civil society organizations acting in this capacity give them recourse to hold the state accountable while also retaining a level of autonomy.

- The formal structural relationships between women's NGOs and women's CBOs cannot be assumed. The form of the civil society organization often indicates a level of privilege. Often women heading NGOs have more access to fiscal and social capital than women in community-based groups. Therefore, there needs to be a combination of both types of organizations providing policy oversight. The feedback mechanisms result in real-time changes that can be made to policy interventions.

- The IOA results and constellations of inequalities can be used to outline the specific weaknesses in state institutions. Then policy changes can be drafted and implemented to remove the obstacles that women are facing.

- The monitoring of the IOA needs to be continuous in order to identify new areas where the state is fragile and new populations that are impacted.

- The public policy literacy and legal literacy programs should be held for women. These campaigns can provide women with knowledge about the formal recourse mechanisms that individual women can access when they encounter obstacles. The trainings could be tailored to each respective set of institutions.

8. POLICY RECOMMENDATIONS & IMPACTS

Although the literature on the positive impacts of RECs on interstate conflict is firmly established, the model empirically tests the impact of RECs on intrastate conflict. My work can represent the relationships between perceived agency and institutional barriers that individuals, and groups, are facing so that these can be addressed, and so that any inflection points may be deescalated. My study provides mechanisms to mainstream the economic priorities and labor concerns of the most marginal members of society creating a greater commitment to fostering stability domestically and regionally.

The datasets generated by the IOA can be shared with national, sub-regional, regional policy makers and governing institutions, local and national statistical offices, and universities in Africa. Policy and programmatic solutions derived from model predictions can be less expensive to implement and more sustainable than military interventions because they promote autonomy, generating local support. Global governing bodies such as the UN Interdepartmental Taskforce on African Affairs (UN-IDTFAA) can use the findings of this study to generate tangible policy prescriptions, and monitoring and evaluation plans in post-COVID- 19 recovery efforts. The findings of the paper can help shape inclusive and sustainable development and gender equality policies. It is important to recognize that there are always questions around representation and which groups get included and which groups are excluded. Therefore, it is recommended that the leadership of umbrella NGOs and CSOs rotate across multiple groups. In particular, groups that are not explicitly considering themselves part of civil society groups should be sought out and encouraged to participate because many of these women lack the political and ties in the community development networks domestically.

Below are my preliminary policy recommendations based on the data generated in the previous sections. Ideally the IOA can be replicated in additional countries and the institutional barriers outlined in table 3 can be generated for women that scored in tiers A and B on the index of agency. By including the perspectives of women at each level, additional policy interventions can be adopted and any tensions among women in all three spheres, from the most to the least privileged can be resolved. Each of these recommendations become even more critical as the region undergoes rebuilding post the pandemic.

8.1. GENDER MAINSTREAMING POLICY RECOMMENDATIONS (REGIONAL & NATIONAL LEVELS):

- **Economic-Social Justice Approach**
    - Protectionist Policies for women owned firms, regional, and global.
    - Protect labor so profit models that reinvest in human capital and infrastructure for individuals and firms.
    - Utilize qualitative data such as the IOA and Constellations of inequality as a contentious measure so that the monitoring of the impacts of the gender equality policies and the fortifying of state institutions can be empirically assessed.
    - Women's groups and activists' must be an integral part of monitoring and evaluation of these policies.
- **Diverse Priorities of Women**
    - Need local women's organizations and activists to shape goals, and priorities, not international orgs or the larger NGOs, need CBOs.

- Need to collect more accurate data on the variations in needs across sectors of the economy and size of firms.
- Implement mechanisms to identify different economic sectors women are active in as this will continued to change.

- **Transformative-Institutional Changes**
  - Establish mechanisms to identify economic participation by choice or institutional constraints that prevent full engagement.
  - Substantively make more women policy decision makers and increase the involvement of women in the budget allocation and approval processes.
  - Increases in state and REC investments in women's firms can make them more competitive in global, regional, sub-regional, national and local markets.

- **Gaining the Benefits of Economic Integration**
  - Disaggregate by economic sector and the type of formal and informal activity because women are often involved in both simultaneously.
  - Include measures for work that receives renumeration and labor that does not and remains unpaid. This can potentially help identify areas where the domestic government and regional organizations can subsidize and invest in for longer term economic benefits.
  - Consider allocating resources to domestic efforts of states to promote gender inclusive measurements as this type of data collective can be cost prohibitive.

- **Sustainable Approaches to Increasing access to Capital**
  - Remove barriers to registration and licensing for CSOs and small-scale firms.
  - Provide more grants instead of loans, then measure employment, tax, revenue that goes back into the community, local government area, sub-national and national governments.
  - Create contract set asides with women as primary contractors not secondary or sub-contractors.

9. CONCLUSION

This paper developed a theoretical framework to examine the roles of gender inequalities in predicting state fragility. Although this study is part of a larger cross sub-regional study, this policy paper featured the qualitative date from Nigerian and Ghanaian case studies. The intersecting relationships among economic, political, social, ICT, and public health infrastructure, access to education and literacy impact state fragility being assessed beyond health explicitly. Through addressing these institutionalized gender inequalities, inclusive and sustainable approaches to growth can be adopted. The changes that formal political structures undergo at the national and regional levels can strengthen the institutions and provide a model for other regions of the world. The IOA outlines the ability of different groups of women to make their own choices around economic participation. The constellation of inequalities helps outline the specific policy changes required to reshape state institutions within the national and sub-regional systems.

As we rethink what participation in the global and regional economies should produce for the most vulnerable members of society post the pandemic, investments in human capital and infrastructure should be paramount to reduce inequities. Making local women's organizations key decision makers can help domestic movements addressing gender inequality implement policy interventions that result in institutional changes. Resolving these tensions around economic inequality can further reduce demographic pressures which contribute greatly to state fragility. The resolutions offered through preventing gender inequities have the potential to keep domestic strains at a level below the thresholds that give rise to conflicts resulting from the incapacities of state structures.

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Paper 1.3. Assessment of Fiscal Space in relation to Fragility, Conflict and Economic Development in Sub-Saharan Africa Countries

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ABSTRACT

The study assesses the extent of fiscal space constraints in Sub-Saharan Africa (SSA) and their relationship with healthcare expenditure, conflicts, and fragility. The study established that SSA countries are grappling with challenges to mobilise adequate financial resources to finance their developmental and industrialisation agenda as well as achieving Sustainable Development Goals (SDG 3) which focuses on improving health and wellbeing. The selected literature reviewed in this study showed that fiscal space, state fragility and conflicts are related and have a strong bearing to achievement of sustainable development goals. Fiscal space allows countries to finance their activities in a sustainable manner thus avoiding citizen discontent which induces violence and escalates State of fragilities. Improved management of the fiscal space helps in reducing conflicts that arise usually as a result of misuse and allocation of resources for countries. The analysis in the paper established that there is a correlation between health expenditure per capita and fiscal space and health expenditure which is a proxy for economic development in SSA.

This implies that for the SSA to improve the welfare of its citizens and move closer to the attainment of the SDGs, they need to find ways of enhancing fiscal space. The study also found that the overall correlations between fiscal space and peace index as well as fiscal space and economic fragility is negative, implying that fragile states and those affected by conflicts face fiscal space constraints. Expansion of fiscal space requires concrete policy actions that enhance domestic resource mobilization, reduce fragility and conflicts in SSA.

Keywords: Fiscal Space, Fragility, Sub-Saharan Africa, Conflict

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1. INTRODUCTION

Sub-Saharan African Countries are grappling with challenges to mobilise adequate financial resources to finance their developmental and industrialisation agenda as well as achieving Sustainable Development Goals (SDGs). Fiscal Space which Roy and Heuty (2005) defined as concrete policy actions for enhancing domestic resource mobilization, and the reforms necessary to secure the enabling governance, institutional and economic environment for these policy actions to be effective has remained a challenge in SSA countries. Ultimately the sustainability and solvency of an economy depends on the extent to which domestic financing mechanisms are able to support public expenditures and also on the fact that the mobilization of fiscal space in a sustainable manner is a function of the political economy context within which fiscal space is secured. Weak institutional capacities, particularly administrative and institutional frameworks that allow tax evasion, avoidance, and general non-compliance to go on unchecked undermine the capacity of countries for domestic resource mobilisation. Fiscal space determines the capacity of a country to increase its public spending in response to, for example, developmental needs of the country, which should be done in a fiscally sustainable manner, thus avoiding threatening government solvency (Odusola, 2017). In this regard domestic resource mobilisation becomes a critical pillar in initiatives intended to expand the fiscal space, as countries strive to achieve economic growth and transformation in line with the African Union Agenda 2063. Some SSA countries are highly indebted due to excessive borrowing mainly for consumptive expenditures which do not create capacity for repayment of interest and the principle. Excessive borrowing increases the indebted countries' Debt/Gross Domestic Product (GDP) ratio and the state of fragility (Gnangnon and Brun, 2020). Economies with high debt are susceptible to even smaller economic shocks which result in huge negative impacts on the growth of economies (Meheus and McIntyre, 2017).

Countercyclical policies in some SSA countries that averted the adverse effects of the 2008–09 global financial crisis, were anchored on built-up liquidity and policy buffers. However, the resilience and potency of fiscal adjustment efforts in the SSA region were reversed amid the 2014–16 plunge in commodity prices as oil, minerals and metals exporters saw a sharp deterioration in their primary balance sustainability gap (Calderon, (Cesar; Chuhan-Pole, Punam; Some, Yirbehogre Modeste. 2018). The interplay of fiscal space constraints, fragility and conflicts in SSA present serious policy challenges. While these are intractable issues with long term root causes this study sought to address the following objectives:

1.1. OBJECTIVES OF THE STUDY

The main objectives of this study were to:

1. Provide an overview of the extent and examine the association of the fiscal space, fragility, and conflict challenges confronting SSA Countries.

2. Assess the relationship between healthcare expenditure as a proxy for economic development, fiscal space, conflicts, and fragility in selected SSA countries.

3. Draw lessons from the extensive literature and infer possible options SSA countries can adopt to address fiscal space challenges.

1.2. OUTLINE OF THE REPORT

Section 2 provides a selected literature review to contextualise the study followed by Section 3 which discusses the research methodology adopted and justification of the methods and techniques used. Section 4 provides an overview and analysis of fiscal space, fragility and conflict in SSA and Section 5 concludes the study with some recommendations.

2. LITERATURE REVIEW

The literature in areas of fiscal space, fragility, conflict, and development in Africa is quite extensive and thus it is not possible to be exhaustive in reviewing this literature. A few relevant studies have been selected to provide a context to this study and draw lessons from the emerging issues in the literature. Fiscal space, fragility and conflict are closely related, with a relationship that runs either from conflict to fragility to fiscal space, or otherwise. Delechat et al. (2018) argued that the failure of developing countries to manage their fiscal space has contributed to State fragility which has resulted in conflicts in some countries in Sub-Saharan Africa. This means it is failure to maintain adequate fiscal space that leads to fragility and conflicts among countries. However, in some countries conflicts like tribal wars which have undermined economic performance have not only led to fragility but adversely affected the capacity of the State to mobilise sufficient fiscal revenues to finance government operations and overall economic development of the country. In this regard causality can run from conflict to fragility (Beall, Goodfellow, and Rodgers, 2011; Garry and Checchi, 2020). Understanding the interplay of fiscal space, fragility and conflicts is key to designing policy interventions to spur economic growth and development in SSA economies and achievement of the mutually reinforcing goals of the African Union Agenda 2063 and the United Nations Sustainable Development Goals (SDGs).

Fiscal space is a multi-dimensional concept that is proxied by indicators capturing aspects of fiscal sustainability, balance sheet vulnerabilities, external debt positions, and market perception. According to Odusula (2015), fiscal space enhances economic efficiency and better distributional coverage. Fiscal policies affect growth through taxes, transfers, and public expenditure. Measuring fiscal space involves a series of dimensions that range from aspects of sustainability, risks associated to contingent liabilities, maturity, and currency risks, share of debt in foreign currency held by non-residents, solvency, and borrowing costs (Calderón et. al., 2018). Kose et. al. (2017) classifies indicators of fiscal space in four categories namely, fiscal sustainability indicators, balance sheet vulnerability, market perception and external and private sector debt. Heller (2007) designed the fiscal space diamond as shown in Figure 1 with four main pillars to secure fiscal space namely, domestic resource mobilisation, reprioritisation and efficiency of expenditure, official development assistance and deficit financing. It can be argued that countries that manage to balance the four fiscal space pillars through prudent macroeconomic policy management have far greater potential for creating additional fiscal space.

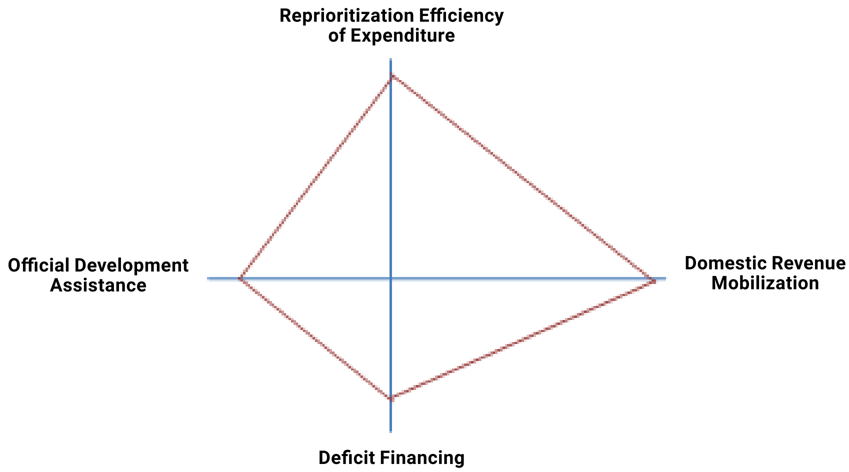
The diamond illustrates the scope of a government to generate fiscal space through:

1. Reprioritisation of government expenditures, improved allocative and technical efficiency of these public expenditures;

2. Increased domestic resources mobilisation through adoption of innovative revenue measures, expansion of the tax base including boosting diaspora remittance and inclusion of the informal sector in the tax net;

3. Access to official development assistance, which tends to be limited if a country is highly indebted with accumulated debt arrears and

FIGURE 1: FISCAL SPACE DIAMOND



Source: Heller (2007)

4. Deficit financing through internal and external borrowing.

The scope of country, that has already been raising significant amounts through tax revenue and has high initial stock of debt, or receives high aid inflows, to raise additional revenue from any of these sources is likely to be small. However, the lower the allocative and technical efficiency of the existing budget, and the larger the volume of such spending, the greater would be the scope for efficiency gains as a source of fiscal space. The scope for accessing more ODA or borrowing externally can in principle be estimated with reference to donor commitments to the country's programs or debt sustainability analysis.

Seignorage revenue realised from the printing of fiat money is generally excluded from the options to increase fiscal space due to its distortionary and undesirable inflationary effects. The scope to expand fiscal space is inherently country specific, requiring detailed assessments of a government's initial fiscal position, its revenue and expenditure structure, the characteristics of its outstanding debt obligations, the underlying structure of its economy, the prospects for enhanced external resource inflows, and a perspective on the underlying external conditions facing the economy. In this regard the policy choices emanating from fiscal space analysis depend on a number of factors. While some countries may need to raise tax rates to increase their government revenues, others may want to reduce tax rates to reduce the tax burden. While some countries may be able to acquire more debt cheaply, others may be above their debt limits or may be able to raise funds only at high overall costs to the economy. Some countries may opt to reallocate expenditure from one area to another while maintaining the same level of expenditure, others may want merely to phase out or cut programs thus, reducing the overall size of the government expenditure/deficits. Finally, fiscal space also has an inter-temporal component. Essentially, the effective use of public resources today is hoped to lead to increased productivity in the economy, generating a larger resource base (incomes, human and physical capital) for tomorrow's economic choices (savings, investments, consumption).

A narrow fiscal space usually arises due to but not limited to failure to collect taxes from both formal and informal sector, corruption, and poor prioritisation of available resources (Ostry and Kim, 2018). Widening fiscal space can be achieved through the pursuit of consistent and effective macroeconomic policies (Krugman, 2019). Some of the volatility in external assistance experienced by many countries has arisen from the failure of macroeconomic policies which have adverse multiplier effects on donor assisted programs. IMF (2015) observed that since the early 2000s, SSA countries that became resilient, most of which are not heavily dependent on commodity exports, have a reputation for having implemented good economic policies and reforms, over time supported by a more favourable regulatory and institutional environment. This, in turn, seems to have contributed to higher investment, including better access to credit. The resilient group of the SSA countries in the IMF 2015 study has also experienced a marked decline in inflation, which has fallen from above 20 percent per year in the early 1990s to single digits in recent years. This was achieved by strengthening the capacity of central banks and developing effective monetary and exchange rate policy frameworks, strengthening, and developing the domestic financial sectors. Thus, countries that manage their macroeconomic policies well have far greater potential for creating additional fiscal space. Xu (2018) and Heydemann (2018), argued that the failure of developing countries to manage their fiscal space has contributed to the creation of state fragility which has resulted in conflicts in some countries in SSA.

Failure to maintain adequate fiscal space that supports inclusive development programmes also has potential to lead to fragility and conflicts among countries as some parts of the country are marginalised. Furthermore, mismanagement of the exploitation of natural resources available in African countries and negotiation of flawed contracts also undermine fiscal revenues flowing to African governments. Inequalities on resource/income distribution among citizens (Odusola, 2017) is also a challenge among African countries. Skewed distribution of proceeds from the exploitation of natural resources results in enclave development, where a few individuals enjoy the large proportion of the national cake while the majority are marginalised. Skewed distribution of benefits from the exploitation of natural resources does not only undermine fiscal space but has potential to worsen State fragility and adversely affect inclusive development. Improved distribution of resources among citizens on the other hand has potential to reduce discontent among citizens and thus promote inclusiveness with citizen's positive energies channelled towards productive activities. Disruptive internal conflicts and their attendant adverse effects on economic performance will also be reduced when the countries' resource endowments are shared/ exploited in an equitable and transparent manner. Binding fiscal space constraints on the other hand often limit the State capacity to respond to citizens demands which fuels discontent which often leads to violent demonstrations.

The International Monetary Fund (IMF, 2018) recommended ways of creating fiscal space as raising of taxes, securing overseas development assistance (ODA) grants, cutting lower priority expenditures, increasing internal and external borrowing among other approaches. However, creating fiscal space should be done in a fiscally sustainable manner that will not compromise macroeconomic sustainability of the country (Malik, 2019). Use of aid for immediate consumption only results in longer term negative effects as governments cannot plan on aid for their expenditures since it is very volatile. Domestic revenues mobilisation is preferred where the country generates revenues from within through the expansion of the revenue base. One of the reasons countries face challenges in fiscal space improvement is because of misuse and poor prioritization of the mobilised funds (Rogoff, 2021). Furthermore, deficit financing is key in creation of fiscal space where countries borrow sustainably in order to finance their expenditures. Again, the funds borrowed should be invested in activities that generate revenues to allow for repayments of the debts, otherwise a country will not be able to repay its debt leading to fragility and ultimately into conflicts (Behera and Dash, 2019).

Expanding fiscal space plays a big part in getting countries out of a fragility state. African countries that have been classified as fragile states have not been able to manage their fiscal space efficiently as misuse of funds is a common practice among these countries (Zeigermann, 2020). A study conducted by El-Shagi and von Schweinitz (2021), found that poor fiscal management has positive influence on fiscal fragility. This shows that failure of countries to create enough fiscal space would lead to fragility which hinders growth of the country and achievement of SGDs. Overall, understanding the factors inhibiting the expansion of fiscal space is crucial to enable responsible authorities to identify strategies that can be implemented to achieve the countries' economic growth and development objectives. This helps in identifying vital programs to be financed for the achievement of SDGs, particularly reduction in poverty and improved health of citizens.

Empirical literature exhibits different findings on the relationship that exists between fiscal space, fragility, and conflict. The relationship is examined in relation to attainment of specific development goals such as the SDGs. For example, investment in health and education sectors have been considered as key drivers of sustainable development since they build a competitive and healthy human capital that will drive countries to achieve SDGs at large (Aziz, Tahir and Qureshi, 2020). Countries can maintain a favourable fiscal space through implementation of effective fiscal policies (Ko, 2020). This ensures creation of revenues that will enable the country to finance its activities in a sustainable manner. Delechat et al. (2018) carried out research on the role of fiscal policies and institutions on reducing fragility status of countries in Sub-Saharan Africa, focussing on 26 countries that were deemed fragile in the 1990s. The study found that fiscal institutions and fiscal space, namely the capacity to raise tax revenue and contain current spending, as well as the quality of public expenditure, were significantly and robustly associated with building resilience. Similar conclusions arose from a qualitative study of 7 sub-Saharan African countries in the sample that built resilience since the 1990s. The findings of the study showed that exiting from fragility status calls for sound fiscal policies that raises fiscal space and allow countries to achieve sustainable development goals.

State fragility and political violence together hinders the ability of countries to develop. State fragility arises due to weak institutions, poor economic development, violent conflicts, poor management of natural resources, among other causes (Ibrahimi, 2020). Ferreria (2018) carried out an empirical analysis of state fragility and growth focusing on the impact of State ineffectiveness and political violence. The results from standard econometric methods employed showed that there is a significant negative effect of State ineffectiveness on economic growth while political violence had statistically insignificant impact. State ineffectiveness encompasses the inability of a country to manage its fiscal space effectively and efficiently (Amato and Saraceno, 2022). According to Barroy et al. (2018), once a country fails to manage its fiscal space, its efforts to achieve economic development and SDGs become fruitless. Achievement of development among fragile and developing countries requires governments to use their resources wisely to get out of fragility status.

Countries' expenditure in the health sector plays a critical role improving the health status of the population that reduces the state of fragility of countries. Scaling up nutrition of citizens is one of the health expenditure requirements that countries ought to embrace, which ensures a healthy nation. Taylor et al. (2015) examined the role of governance in scaling up nutrition in fragile and conflict affected areas. The study found that countries that had increased their expenditure in the health sector as a way of improving nutrition of its population had higher probability of getting out of the state of fragility. The study recommended governments of fragile countries to strategically use their revenues as a way of improving the countries' welfare while achieving sustainable development goals. The current study used health expenditure to capture efforts to achieve SDG on health and welfare, in establishing the association with fiscal space, fragility and conflict among selected African countries. It is postulated that countries can achieve health and improved welfare of their citizens through management of their fiscal space which is linked to fragility and conflict.

Increased expenditure in non-productive military activities among developing countries is considered as one of the causes of State fragility as it compromises on the countries' fiscal space (Christie, 2019). Skewed allocation of government revenues in favour of non-productive sectors/activities, undermines African countries' fiscal capacity to address emerging developmental challenges including sustainably addressing issues of extreme poverty. Saba and Ngepah (2019) conducted a cross regional analysis of military expenditure, state fragility and economic growth. The results from the study suggested that the effect of military expenditure on growth was negative at the Africa level with significant regional economic level differences, and this effect was influenced by the extent of State fragility. This implies that there exist complementary effects between military expenditure and state fragility on growth. The study recommended a reduction in non-productive military expenditure. Thus, increasing growth enhancing public expenditures position SSA economies on higher economic growth projectiles which can result in sustained expansion of fiscal space.

Veganzones-Varoudakis and Rizvi (2021) examined economic, social, and institutional determinants of internal conflicts in fragile States. The results of the study showed that effective institutions as measured by judicial efficiency and higher incomes could help reduce conflict in fragile States. However, spending in education and trade reforms did not have the expected influence which implies that countries should first improve the social, economic, and institutional conditions of their populations before enjoying the fruits of trade reforms and education. Adeto (2019) also carried out research on the nexus between State fragility and conflict in the horn of Africa and found that conflict dynamics feed and fuel State fragility. The study used a qualitative analysis in exploring the relationship of the two concepts. Conflicts that arise from competition over control of natural resources among ethnic groups were also found to be causes fragility in countries like Ethiopia and Eritrea. The study by Barroy et al. (2018) focused on the role of government's expenditure in the health sector in achieving health of the nation and other sustainable development goals. The study found that achieving health improvement in line with SDG 3 requires countries to align their fiscal space for health assessments. This includes use of locally generated revenues, loans and grants in a sustainable way that improves the health of the nations and overall growth at large. The subsequent section looks at the methodology that was employed in a bid to answer the posed research questions.

3. METHODOLOGY AND DATA

The initial intention of the paper was to use an econometric approach to establish the causal relationship among fiscal space, fragility, and conflict in influencing the achievement of SDGs in Africa. The study sought to follow Saba and Ngepah (2019), who used a panel data analysis in establishing the relationship among military expenditure, state fragility and economic growth in Africa. An initial attempt was made to estimate the specified model using health expenditure to measure efforts to achieve SDGs and how this is affected by countries' fiscal space, state of fragility and conflict.

However, the limited data points, the small number of countries with available data on all the variables over a limited time period (issues of fragility and conflict have underlying long term causes) and significant overlaps in the independent variables presented challenges in the econometric estimations. Thus, the results of the econometric estimations which displayed evidence of endogeneity issues arising from potential reverse causality were dropped in the subsequent analysis. For example, the state fragility index is a composite index with twelve indicators upon which the index is based and covers a wide range of state failure risk elements such as extensive corruption and criminal behaviour, inability to collect taxes or otherwise which draw on citizen support. The Global Peace Index is also a composite index measuring the peacefulness of countries and is made up of 23 quantitative and qualitative indicators, each weighted on a scale of 1-5. Some of the indicators in the composite indexes are correlated with the other independent variables such as GDP and proxies of fiscal space.

Given the estimation challenges highlighted above, the paper then resorted to focus on descriptive statistics based on available secondary data on Fiscal Space, Healthcare Expenditure per capita; Fragility and Conflicts. In particular, correlations between fiscal space and health expenditure; fiscal space, fragility and conflict were calculated to complement the content analysis of the selected studies to infer the relationships of fiscal space; fragility and conflict while drawing lessons from the emerging consensus in the literature.

4. FISCAL SPACE, FRAGILITY AND CONFLICT IN SUB-SAHARAN AFRICA

The World saw a significant decrease in the number of conflicts from the early 1990s to the mid-2000s which were widely reported in the media and various international fora, showing optimism about the ability of the international community to prevent new conflicts and to promote a return to lasting peace (Aguzzoni, 2011). However, this improvement was short-lived, as the number of major conflicts began to rise again due to the resurgence of tensions including in some SSA countries. In recent years, the number of major conflicts returned to levels witnessed in the mid-1990s.

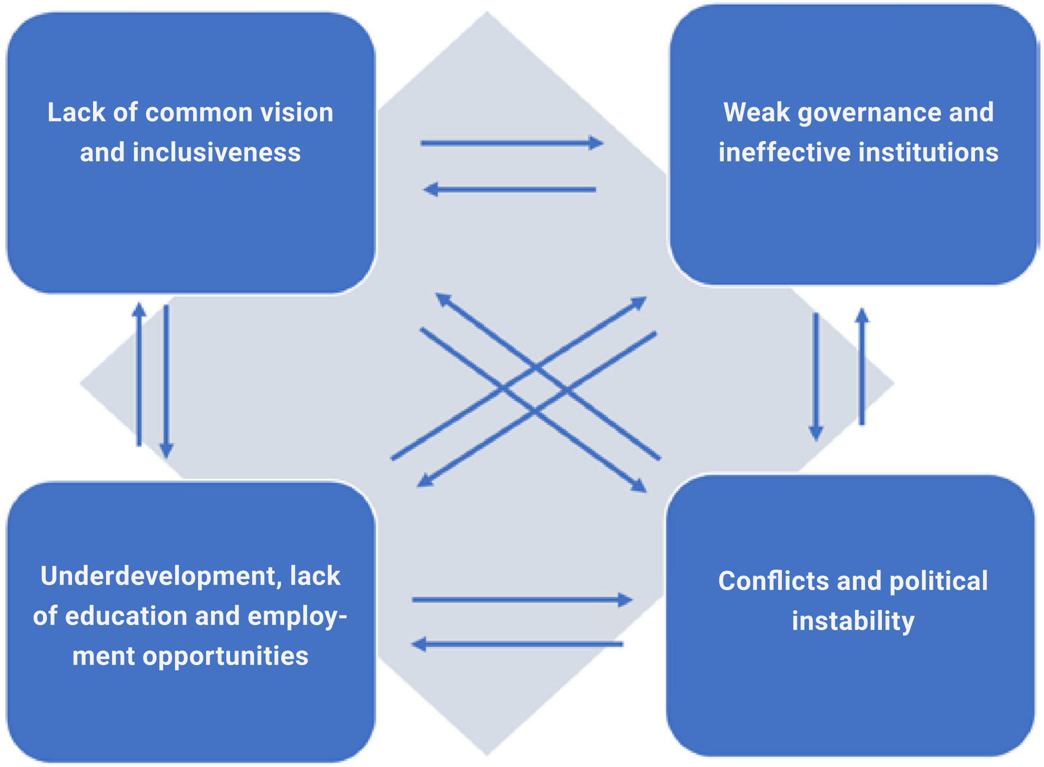
Internal conflicts[7] have increased, particularly during the 2015-2018 period, with 46 minor conflicts being recorded in 2018 in 32 countries (Feindouno and Wagner, 2020). This rebound in the number of conflicts further induces increasing State fragility and undermines economic performance as resources are diverted away from growth enhancing programmes to contain the emerging conflicts. IMF 2015 highlighted some of the factors behind fragility as shown in figure 2 (see next page).

Secondly, detailed conflict data compiled from the Peace Research Institute of Oslo (PRIO) database reflect another recent phenomenon, that of the internationalisation of internal conflicts. Indeed, a number of conflicts[8] that were initially presented as internal conflicts have now been joined by foreign actors. In 1991, 4% of the conflicts were considered internationalised according to the PRIO database, this number was multiplied by 10 to nearly 40% in 2015. The conflict in the Democratic Republic of Congo (DRC) is an example in the sense that, the mining and military interests of neighbouring

7 Minor conflicts are those which generate between 25 and 999 deaths during the year and involve at least one national state actor (Institute for Economics and Peace, 2018)

8 An internal conflict is considered internationalised if one or more third party governments are directly involved in the fighting in support of one of the belligerents (Feindouno and Wagner, 2020).

FIGURE 2: THE FACTORS BEHIND FRAGILITY



Source: IMF (2015)

countries, such as Rwanda and Uganda, contributed to the spread of the Congolese conflict for many years, with both countries alleged to be supporting different parties in the conflict[9]. Thus, the persistence of the conflict in DRC, has potential to worsen fragility indicators and undermine economic performance of the East African Region and the rest of Africa through the trade linkages.

The past decade saw a record high in state-based conflicts in Africa. In 2019 alone, 25 state-based conflicts were recorded, up from 21 recorded in 2018 (Palik *et al.*, 2019). A record number of 13 territorial conflicts were recorded in 2018. Internationalized civil wars are also at an all-time high (Feindouno and Wagner, 2020). In 2019, Cameroon, Burkina Faso, Somalia, and Burundi all saw external involvement in their domestic conflicts. Multiple state-based conflicts in Africa are related to the rise and expansion of the Islamic State (Palik et al., 2019). In 2019, nine countries in Africa (Cameroon, Niger, Chad, Nigeria, Libya, Burkina Faso, Mali, Somalia, and Mozambique) experienced conflicts with Islamic States within their territories. On regional comparison, Africa experienced the highest number of definitive ceasefires and peace agreements. The highest number of ceasefires was recorded in 2003, when 49 ceasefires were concluded in 10 different countries (Palik *et al.*, 2019).

These conflicts induce fragility which also poses a major risk to the achievement of the complementary African Union 2063 Agenda and the

9 See https://www.aljazeera.com/news/2022/2/9/icj-to-rule-on-drcs-11bn-war-reparations-claim-against-uganda. Averting Proxy Wars in the Eastern DR Congo and Great Lakes-https://www.crisisgroup.org/africa/central-africa/democratic-republic-congo/b150-averting-proxy-wars-eastern-dr-congo-and-great-lakes or https://d2071andvip0wj.cloudfront.net/b150-averting-proxy-wars_0.pdf

Sustainable Development Goals (SDGs). Fragility may take many different forms, and can include some or all economic, political and social fragility. In some of the worst cases, fragility has been associated with open conflict. Whatever form it takes, fragility is commonly associated with underdevelopment. It is highly likely that fragility and underdevelopment feed on and sustain each other. In the 1990s, many countries in SSA suffered civil wars, and some countries even now suffer from widespread violence or even civil war. While high levels of fragility remain, extreme forms of fragility such as violence or civil wars have fallen since the 1990s (Gnangnon and Brun, 2020). As explained by the Fund for Peace, the fragility states index is a good measure of state fragility since it highlights not only the normal pressures that all states experience, but also it identifies those pressures that are pushing a state towards the brink of failure (Fund for Peace, 2021). The fragile states index constitutes four main pillars, and each pillar is composed of three sub-pillars namely cohesion (security apparatus, factionalised elites and group grievance), economic (economic decline, uneven economic development, human flight and brain drain), political (state legitimacy, public services and human rights and rule of law) and social indicators (demographic pressures, refugees and external intervention).[10]

The Fragile States Indices for selected countries in SSA are shown in table 1 (see next page). During the period 2010 to 2018, Cameroon, Chad, Kenya, DRC, Rwanda, and Zimbabwe had fragility indices which were above the African average. On the other hand, Angola, Botswana, and Mozambique had fragility indices which were fluctuating around the African average, meaning the latter countries were relatively less fragile compared to the former countries. However, issues of fragility are not static but dynamic. For example, the fragility index for Mozambique could change if more recent data is considered. Nearly 2 900 people were killed and most of the population displaced by early June 2021 in a civil war that began in October 2017 in Cabo Delgado, Mozambique's north-eastern province (Hanlon, 2021)[11].

The tax-GDP-ratio for selected African countries is below the tax-GDP-ratio of the Asia – Pacific average, the Latin America and Caribbean average and the Organisation for Economic Co-operation and Development (OECD) average (Figure 3). The African average of the tax-GDP-ratio for 30 African countries is 16.6 against 21% for Asia – Pacific average, 22.9% for Latin America and Caribbean and 33.8% for OECD. Selected countries in SSA have tax-GDP ratios which are below the African average such as Chad (8.1%), DRC (7.5%), Angola (9.4%), Uganda (12.1%), Botswana (12.6%), Zimbabwe (13.6%), and Cameroon (14.2%). Kenya (17.3%), Rwanda (17.7%) and Mozambique (26.9%)'s tax-GDP ratio were above the African average of 16.6%. This shows that generally the SSA countries with tax GDP ratios below the African average have limited capacity to generate tax revenue despite tax revenue being important for the continent's domestic resource mobilisation strategy. The high fragility index for DRC in table 1 and the low tax-GDP ratio in figure 3 (see next page) is illustrative of the effects of fragility on fiscal space or vice versa.

A lower tax-to-GDP ratio may also imply that the African countries' tax buoyancy[12] is weak as tax revenue may increase less than proportionate in response to a rise in national income. The elements of a country's tax base such as the share of agriculture in GDP, the existence of the informal sector and the degree of the countries' openness also determines the countries' tax-GDP-ratio. Revenue

10 https://fragilestatesindex.org/indicators/, accessed 18 February 2022

11 Joseph Hanlon (2021), Ignoring the Roots of Mozambique's War in a Push for Military Victory https://www.accord.org.za/conflict-trends/ignoring-the-roots-of-mozambiques-war-in-a-push-for-military-victory/

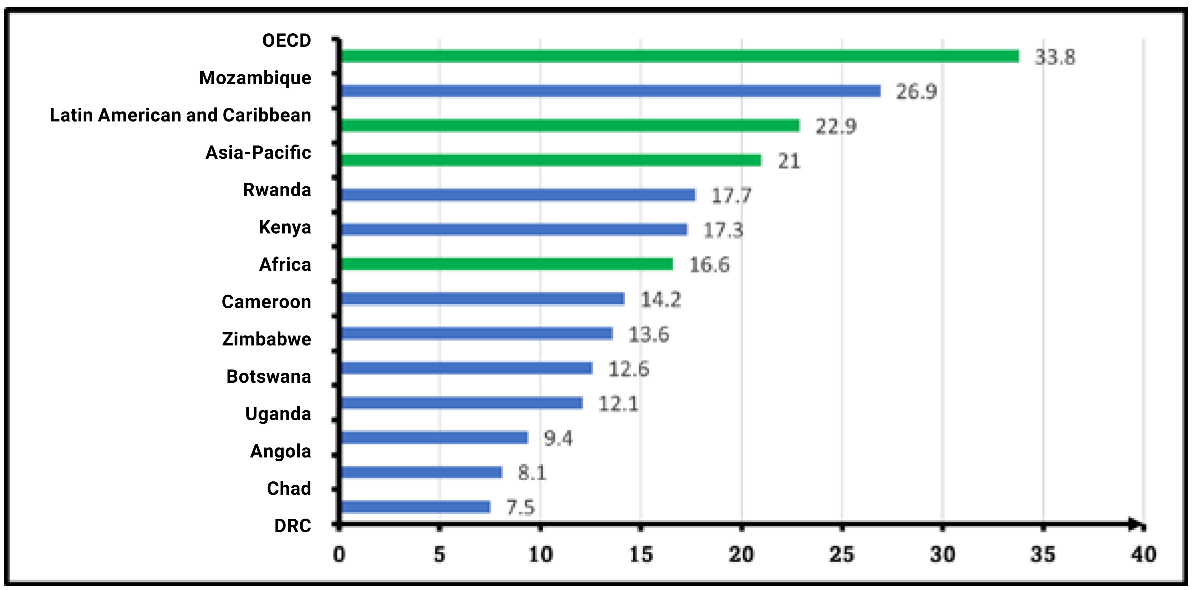
12 The measure of how tax revenues vary with changes in output.

TABLE 1: FRAGILITY INDEX FOR SELECTED SSA COUNTRIES, 2010 – 2018

YEAR	ANGOLA	BOTSWANA	CAMEROUN	CHAD	DRC	KENYA	MOZAMBIQUE	RWANDA	ZIMBABWE	AFRICAN AVERAGE INDEX
2010	83.7	68.6	95.4	113.3	109.9	100.7	81.7	88.7	110.2	88.2
2011	84.6	67.9	94.6	110.3	108.2	98.7	83.6	91	107.9	87
2012	85.1	66.5	93.1	107.6	111.2	98.4	82.4	89.3	106.3	88.5
2013	89.3	64	93.5	109	111.9	99.6	82.8	89.3	105.2	89
2014	87.4	64.5	93.1	108.7	110.2	99	85.9	90.5	102.8	89.6
2015	87.9	62.8	94.3	108.4	109.7	97.3	86.9	90.2	100	89.9
2016	90.5	63.5	97.8	110.1	110	98.3	87.8	91.3	100.5	91.1
2017	91.1	63.8	95.6	109.4	110	96.4	89	90.8	101.6	90.4
2018	89.4	61.9	95.3	108.3	110.6	97.4	88.6	89.3	102.3	89.6

Source: Author's compilation

FIGURE 3: TAX TO GDP RATIO FOR DIFFERENT REGIONS, 2019



Source: OECD (2021)

leakages through corrupt activities such as bribes, transfer pricing, tax avoidance and evasion as well as illicit financial flows contribute to lowering the tax-to-GDP ratio in SSA countries especially those with weak institutional and tax administrative structures. The rise in inflation also erodes the value of tax revenue which affects delivery of social programmes such as health. Thus, strengthening of the revenue administration may contribute to an increase in revenue collection and reduced tax evasion and avoidance. The Addis Ababa Action Agenda (2015)[13] for financing development highlighted the need for African countries to focus on domestic resource mobilization in financing of the

13 https://sustainabledevelopment.un.org/content/documents/2051AAAA_Outcome.pdf

TABLE 2: AVERAGE OF FISCAL SPACE AMONG SELECTED SSA COUNTRIES (2000-2018)

	CYCLICALLY ADJUSTED BALANCE, % OF POTENTIAL GDP	TOTAL EXTERNAL DEBT STOCKS, % OF GDP	FISCAL BALANCE, % OF AVERAGE TAX REVENUES	FISCAL BALANCE, % OF GDP	AVERAGE GDP GROWTH RATES
ANGOLA	-0.11	42.26	25.61	0.32	5.78
BOTSWANA	0.18	10.68	11.11	0.16	4.17
CAMEROON	0.58	36.94	33.95	0.71	4.22
CHAD	-1.91	31.25	-2.45	-1.95	6.69
COTE D'IVOIRE	-1.40	43.08	-12.40	-1.46	3.39
DRC	-0.27	58.21	5.68	-0.13	4.79
ETHIOPIA	-3.19	39.06	-32.08	-3.21	8.97
GHANA	-5.08	31.90	-62.73	-5.10	6.05
KENYA	-3.48	22.50	16.46	-3.50	4.26
MALI	-1.26	39.36	-9.62	-1.11	4.87
MOZAMBIQUE	-4.02	77.50	20.64	-3.83	6.75
NIGERIA	-0.92	33.60	-6.32	-0.46	5.84
RWANDA	-1.34	41.96	12.93	-1.13	7.66
SENEGAL	-2.71	38.65	-18.92	-2.61	4.11
TANZANIA	-2.59	38.06	-25.25	-2.52	6.36
UGANDA	-1.93	28.71	0.00	-1.91	6.23
ZIMBABWE	-3.71	52.97	22.26	-3.28	0.80

Source: Authors' Computations using Data from the World Bank, (http://www.worldbank.org/en/research/brief/fiscal-space) and (GDP growth (annual %) | Data (worldbank.org))

SDGs. This would be achieved mainly through improving their overall revenue performance (Gupta *et al.*, 2020).

It can be argued that SSA countries can still mobilise higher revenues to finance SDGs without raising tax rates and increasing the tax burden if focus is placed on expanding the tax base. Table 2 shows averages of four different fiscal space indicators across selected countries from 2000 to 2018. The rationale for the trend analysis is to see whether the selected countries performed consistently across different indicators over the selected time period.

Table 2 also includes a column of the average growth rate over the same period as a measure of the changes in the tax base.

From table 2 above, although there are some variations regarding the performance of each country on different fiscal space indicators, Cameroon, Angola and Botswana performed well across all different indicators, indicating that these countries are less constrained in terms of fiscal space.

On the other hand, Mozambique, Zimbabwe and DRC tend to be worst performers on average with

Kenya, Ghana and Ethiopia averaging on the middle of our selected countries. The worst performance in fiscal space indicators is also associated with low average growth rates for Zimbabwe, which reflects a shrinking tax base while DRC displayed moderately high growth rates. Mozambique reflects weak institutional/administrative frameworks to collect taxes.

4.1. HEALTH EXPENDITURE IN SELECTED SSA COUNTRIES

Sustainable Development Goal (SDG 3) which seeks to promote good health and wellbeing, requires countries to invest in upgrading and strengthening of health sectors/systems. The share of governments' budget allocated to the health sector reflects the extent to which good health and wellbeing is being prioritised by African governments.

Therefore, health expenditure serves as an informative indicator of the country's efforts towards attainment of the health and wellbeing of its citizens. Figure 2 shows trends of per capita health expenditure by countries in the SSA.

As shown in figure 4, selected SSA countries' efforts to improve the health and wellbeing of their citizens through spending in the health sector have remained low and even below the recommended per capita health expenditure of at least US$86 for developing countries by 2015 (World Health Organisation, 2010). Contrastingly, only Botswana has an improved health expenditure per capita which is significantly higher at more than four times the recommended minimum per capita health expenditure. Angola and Zimbabwe have health expenditure per capita fluctuating around the 2015 given target of US$86. Countries like DRC, Mozambique and Chad have very low per capita health expenditures as reflected in figure 4.

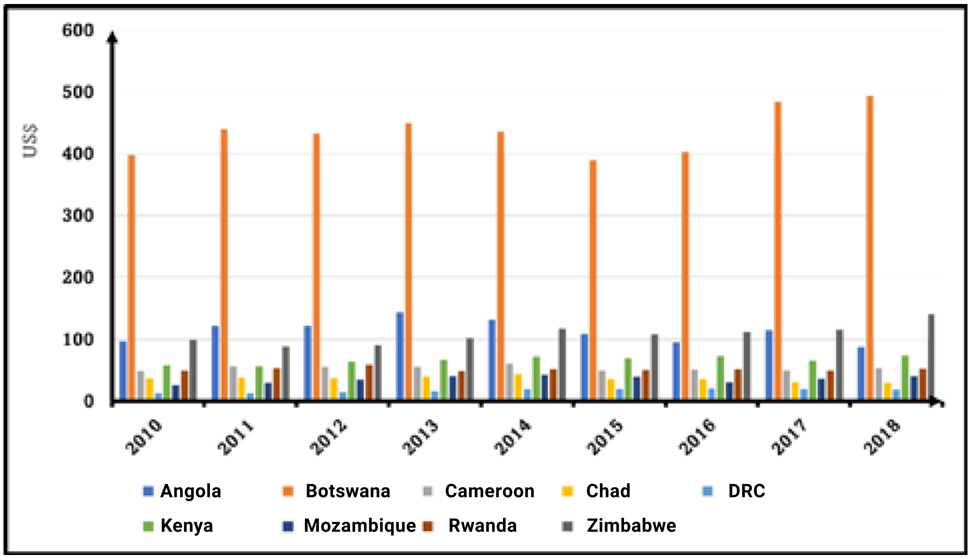
The underperformance in health expenditures is also associated with countries with higher fragility index and low tax to GDP ratio as reflected in tables 1 and figure 3/table 2 respectively. This shows that the majority of the selected SSA countries reflect challenges in achieving health and wellbeing of their populations.

The low expenditures in the health sector are likely to be replicated in other SSA countries. This development may continue to worsen the socio-economic fragility of SSA countries if there are no sustainable and robust initiatives to increase domestic resource mobilisation and boost government revenues earmarked for the health sector.

The public resources gap in financing of the health sector is normally covered by grants from ODA, private sector funding and out of pocket expenditures. Figure 5 provides a snapshot of changes in ODA in relation to changes in health expenditure per capita over the period 2017 to 2018.

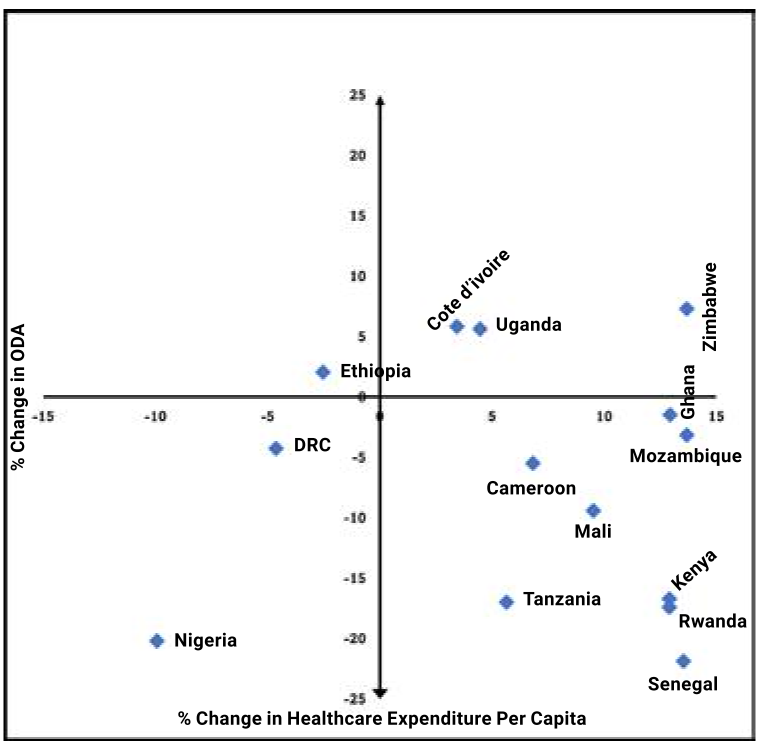
Between the period from 2017 to 2018, the graph shows that there were only three countries which managed to experience positive changes (i.e., increases) in ODA and healthcare expenditure per capita. These countries are Cote D'Ivoire, Uganda and Zimbabwe. The majority of the selected SSA countries (Cameroon, Ghana, Kenya, Mali, Mozambique, Rwanda, Senegal, and Tanzania) experienced decreases in healthcare expenditure per capita regardless of the fact that ODA actually increases for these countries. This can possibly highlight that the increase in ODA was not complemented by increases in public expenditure per capita due to constrained fiscal space. The Democratic Republic of Congo (DRC) and Nigeria have suffered negative changes between ODA and healthcare expenditure per capita which may reflect a decrease in both public health expenditure and support to the health sector from ODA. Thus, the most sustainable source of health financing is public finance anchored on increased domestic resource mobilisation.

FIGURE 4: HEALTH EXPENDITURE PER CAPITA (US$) FOR SELECTED COUNTRIES IN THE SSA, 2010-2018



Source: World Bank (2022)

FIGURE 5: CHANGE IN ODA VS CHANGE IN HEALTHCARE EXPENDITURE PER CAPITA (2017 - 2018)



Source: Authors' Illustrations using data from World Bank (Current health expenditure per capita (current US$) | Data (worldbank.org)) and Development Initiatives (Aid spent on health: ODA data on donors, sectors, recipients - Development Initiatives (devinit.org)

4.2. CORRELATION ANALYSIS BETWEEN HEALTH EXPENDITURES PER CAPITA AND FISCAL SPACE

The expected relationship between health expenditure per capita and fiscal space is positive implying that an increase in fiscal space of a country leads to an increase in health expenditure per capita (Tandon and Cashin, 2010). In this section we examine the relationship between fiscal space and health expenditure per capita as a proxy of achieving SDG 3 which focuses on improving health and wellbeing of citizens. The correlations shown in table 3 (next page) reveal that this relationship is not obvious in all the countries. For example, during the period 2000 to 2018, countries like Cote D'Ivoire, Cameroon, Ghana, Mali, Senegal, Nigeria, and Tanzania performed contrary to expectations since there was a negative relationship between fiscal space and health expenditure per capita.

This shows the improvement in fiscal space was not translated into improvement of the health of the citizens, which might reflect low prioritisation of health expenditures in fiscal budgets. Therefore, there is need for theses selected countries to allocate increased share of public expenditure budgets to the health sector if they are to achieve SDG 3. On the other hand, Angola, Botswana, Chad, DRC, Ethiopia, Kenya, Mozambique, Rwanda, Uganda, and Zimbabwe have performed in line with a priori expectations, showing an increase in health expenditure per capita as the fiscal space widens. The findings imply that widening fiscal space avails resources that can be used in the health sector, thereby improving the health and wellbeing of citizens.

TABLE 3: CORRELATIONS BETWEEN HEALTHCARE EXPENDITURE PER CAPITA AND FISCAL SPACE

COUNTRY	FISCAL SPACE
ANGOLA	0.31
BOTSWANA	0.09
CAMEROON	-0.01
COTE D'IVOIRE	-0.39
CHAD	0.67
DRC	0.35
ETHIOPIA	0.62
GHANA	-0.78
KENYA	0.75
MALI	-0.02
MOZAMBIQUE	0.81
NIGERIA	-0.28
RWANDA	0.86
SENEGAL	-0.83
TANZANIA	-0.59
UGANDA	0.61
ZIMBABWE	0.03
OVERALL	0.05

Source: Authors' Computations using data from the World Bank (http://www.worldbank.org/en/research/brief/fiscal-space)

The overall relationship shown from the analysis of the data serves as a direction for countries in the SSA to consider on how they ought to achieve development, particularly in the health sector. These findings also inform on the recommendations that would increase fiscal space, so as to achieve development.

While in principle fiscal space is a central component to sustainable development and achievement of SDGs, the fragility and conflict dynamics pertinent in Sub-Saharan Africa help in shaping the extent to which fiscal space delivers development goals. To this end this paper further examined the relationship between fiscal space and fragility as well as between fiscal space and conflict which is proxied by the peace index. In theory, fragile countries are expected to face fiscal space constraints and in the same vein, countries with conflicts are also expected to face the same fiscal constraints (Milante and Woolcock, 2021). Table 4 shows the correlations of fiscal space; fragility and the peace index in selected SSA countries.

The relationship between fiscal space and economic fragility as reflected in table 4 is not constant but varies across countries. During the period under consideration, data on countries like Cameroon, Kenya, Mali, Nigeria, Uganda, and Zimbabwe revealed a negative relationship between fiscal space and fragility, however this relationship does not relate to causation, but it clearly points to a negative relationship, implying that fragile countries are associated with fiscal space constraints.

TABLE 4: CORRELATIONS BETWEEN FISCAL SPACE, FRAGILITY AND PEACE

COUNTRY	ECONOMIC FRAGILITY	PEACE INDEX
ANGOLA	0.92	-0.64
BOTSWANA	0.53	0.50
CAMEROON	-0.39	0.92
COTE D'IVOIRE	0.72	0.57
CHAD	0.68	-0.67
DRC	0.92	-0.60
ETHIOPIA	0.52	0.59
GHANA	0.53	-0.21
KENYA	-0.88	-0.84
MALI	-0.42	-0.32
MOZAMBIQUE	0.87	0.83
NIGERIA	-0.34	-0.45
RWANDA	0.70	0.17
SENEGAL	0.47	-0.65
TANZANIA	0.62	0.09
UGANDA	-0.34	-0.42
ZIMBABWE	-0.32	-0.40
OVERALL	-0.38	-0.14

Source: Authors' Computations using data from the World Bank (http://www.worldbank.org/en/research/brief/fiscal-space) and Institute of Economics and Peace (Global Peace Index Map » The Most & Least Peaceful Countries (visionofhumanity.org)

However, data on Tanzania, Senegal, Rwanda, Mozambique, Ghana, Ethiopia, DRC, Chad, Cote D'Ivoire, Botswana and Angola showed a positive relationship. On the other hand, although the a priori expectation of the relationship between fiscal space and the peace index is negative, not all the countries exhibited this negative relationship as shown in table 4. However, the overall relationships between fiscal space and fragility, fiscal space and conflict are both negative implying that fragile and conflict prone countries face fiscal constraints in SSA, and the region must find ways to curb conflicts and address fragility so as to enhance fiscal space.

4.3. FISCAL SPACE AND INFORMALITY IN SSA

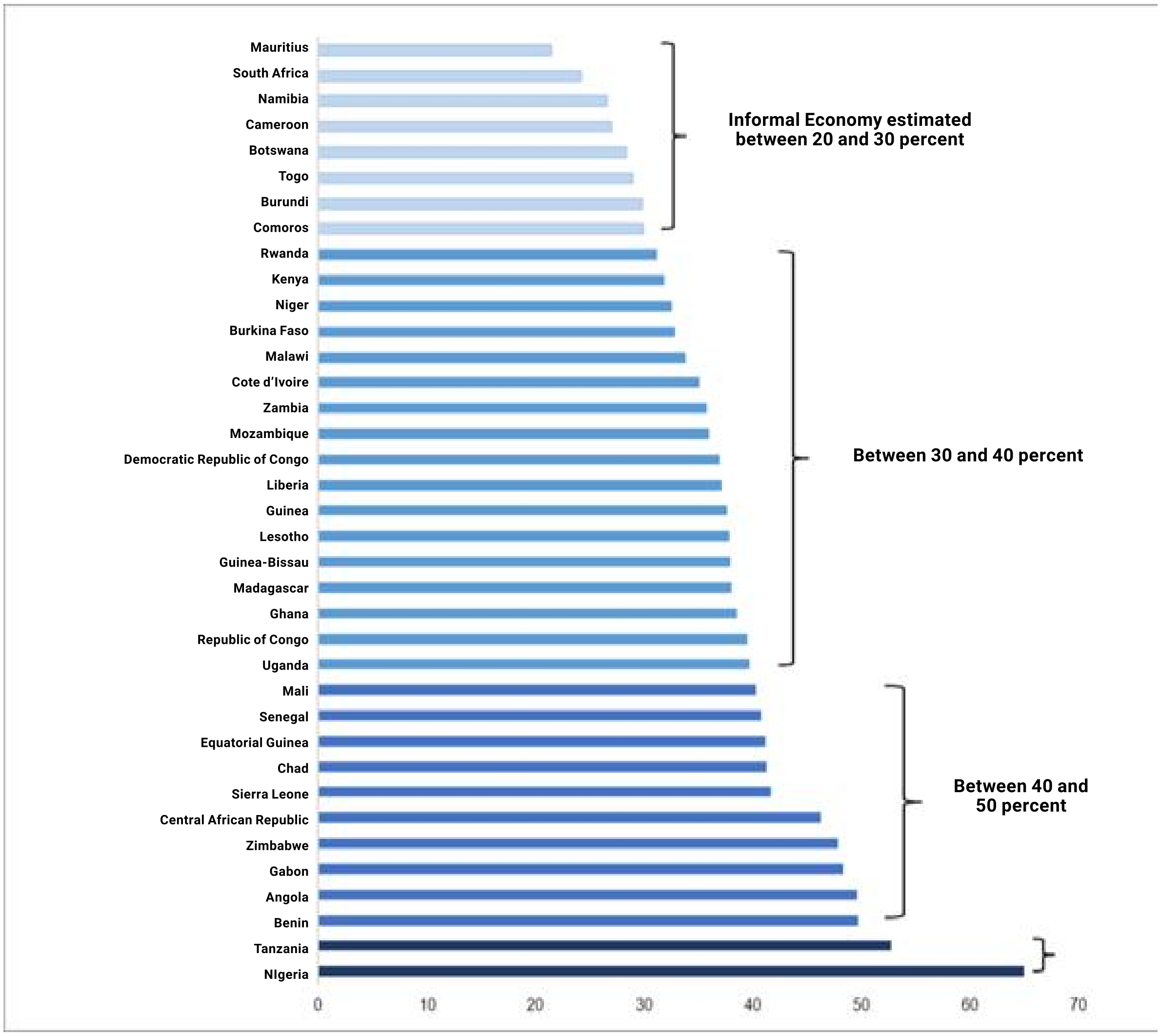
Figure 6 below shows size of the informal economy in SSA using the multiple indicator-multiple cause (MIMIC) method for measuring informal economic activity. The figure reveals that SSA economies are highly informalized. This development coupled with weak institutional and administrative arrangements result in low tax revenue mobilised from the informal sector. Table 2 above shows that the majority of countries facing fiscal space constraints have large informal sectors that contribute between 30-50 percent of GDP.

Figure 6 shows significant heterogeneity of SSA countries with regards to contribution of the informal sector to GDP which ranges from a low of 20 to 25 percent in Mauritius, South Africa, and Namibia to a high of 50 to 65 percent in Benin, Tanzania and Nigeria.

The large informal sector undermines the effectiveness of fiscal policies intended to boost fiscal space as the transmission mechanism of such policies which tend to target formalised enterprises is weakened. In this regard the large informal sector poses challenges for effective mobilisation of fiscal revenues, thereby undermining the attainment of development goals. Reducing the levels of informality is a desirable policy option for SSA countries. The challenge has been the implementation modalities, the limited employment creation capacity of SSA economies and absorptive capacity of graduates emanating from the education system into the formal economy. The International Labour Organisation (ILO) (2015) made recommendations on transition from the informal to the formal economy which are: (a) facilitate the transition of workers and economic units from the informal to the formal economy, while respecting workers' fundamental rights and ensuring opportunities for income security, livelihoods and entrepreneurship, (b) promote the creation, preservation and sustainability of enterprises and decent jobs in the formal economy and the coherence of macroeconomic, employment, social protection and other social policies; and (c) prevent the informalization of formal economy jobs. Reduction in the informal sector while increasing the formal sector improves tax revenue which is crucial in spending for development of the economies.

However, the challenges of informality in SSA are likely to remain for the foreseeable future in the absence of strong institutional and incentive frameworks to promote formalisation of the economies. The formalisation agenda needs to be buttressed by policies that support inclusive development and capacity building initiatives to facilitate transition from informality to formality. Players in the informal sector also need to see tangible benefits from formalisation and the taxes paid including improve service delivery.

FIGURE 6: SIZE OF THE INFORMAL ECONOMY IN SSA (PERCENT OF GDP)



Source: International Monetary Fund (2016) (https://www.imf.org/en/Publications/WP/Issues/2017/07/10/The-Informal-Economy-in-Sub-Saharan-Africa-Size-and-Determinants-45017)

5. CONCLUSION AND RECOMMENDATIONS

5.1. CONCLUSION

The selected literature reviewed in this study showed that fiscal space, state fragility and conflicts are related and have a strong bearing to achievement of sustainable development goals. Fiscal space allows countries to finance their activities in a sustainable manner thus avoiding citizen discontent which induces violence and escalates State of fragilities. Improved management of the fiscal space helps in reducing conflicts that arise usually as a result of misuse and allocation of resources for countries.

The analysis in the paper established that there is a correlation between health expenditure per capita and fiscal space which is a proxy for economic development in SSA. This implies that for the SSA to improve the welfare of its citizens and move closer to the attainment of the SDGs, they need to find ways of enhancing fiscal space. The study also found that the overall correlations between fiscal space and the peace index as well as between fiscal space and economic fragility are negative, implying that fragile states and those affected by conflicts are more likely to face fiscal space constraints. Given these relationships, it can be inferred that for SSA countries to achieve developmental goals including SDG 3, there is a need to reduce conflicts and their adverse impact on the economy, and to maintain peace and improve economic resilience. While the nature of interventions and implementation modalities have not been directly investigated in this paper there are several options that can be gleaned from the literature on expanding fiscal space, reducing fragility and improving peace which can be considered and customised to suit the specific country contexts.

5.2. RECOMMENDATIONS

The analysis in this paper suggests that, more robust strategies and policy frameworks are required to build fiscal space capacities and reduce fragility in order to spur development in the selected SSA countries. Enhancing fiscal space can be a critical step in reducing fragility and conflict especially where the capacity of the State to promote inclusive economic development is supported by adequate fiscal space.

In this regard the study recommends the following:

1. SSA countries need to explore options to enhance their fiscal space, drawing lessons from their peers that have performed consistently well across different indicators over the 2000 to 2018 period as reported in table 2 above. Some options to consider as suggested in the literature include:
    - Instituting policy reforms and incentive frameworks to enhance domestic resource mobilization including diaspora remittances;
    - Adopting policy measure to boost economic growth, reduce inflation, contain the rising costs of debt servicing costs, broaden the tax base and build economic resilience.
    - Building fiscal buffers which enhance the scope for an expansionary fiscal policy to respond to emerging fragility risks and conflicts.
2. The Performance of Health Oversees Development Assistance suggest the need for the selected SSA countries to consider increasing fiscal space and earmarking resources to ensure sustainable health financing that supports the strengthening of the health system through improved health expenditures in order to achieve SDG 3.
3. Continental, regional and country initiatives to address fragility issues within their jurisdictions and resolution of conflicts play a pivotal role in supporting inclusive economic growth and development within SSA. This entails adopting and implementing resolutions of the African Union, Regional Economic Communities resolutions on conflicts in Africa. Furthermore, countries need to build the capacity of institutions responsible for conflict prevention as well as addressing factors that drive fragility.

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Actionable policy recommendations

The following are recommendations formulated during the Conference:

- The importance of diversifying African economies to reduce risks from commodity dependence and terms of trade shocks, but also to broaden the production and tax base.
- Strengthening local and international partnerships, in particular, addressing illicit financial flow, including a new global compact for ending illicit financial flows. At the national level, in order to curb IFFs, it was recommended to review relevant laws, which may have loopholes that allow leakages and shift profits.
- Given the large amount of Diaspora remittances – greatest revenue foreign exchange in the country for the last year – it was recommended to explore how African member states could incentivize Diaspora to invest in the continent.
- The need to strengthen the link between debt indicators such as the debt/GDP ratio and the spending of social sectors.
- The need to consider prioritizing large scale loans for quality infrastructure development.
- There is a need to institutionalize gender mainstreaming at all levels. This includes integration of women's informal & formal economic activities by ensuring that women receive institutional benefits and additional eligibility for access to state resources and opportunities.
- Provide more grants, instead of loans, to help women to move further in the business entities or to start a business right from scratch to promote inclusive and sustainable economic growth.
- As a crosscutting issue, reinforce empowerment and involvement of local civil society organizations in both debt management and women's empowerment.
- There is a need to differentiate various fragilities to use as a predictor of conflict since it could be caused by loss of performance of governance, aggravated financial situation, political insecurity, and gender inequality, and limited governed space within its territory with ungoverned space, among others.

Topic 2. Illicit Financial Flows, Decentralization and their Impacts on Fiscal Space in Africa

Paper 2.1. Is Africa's Fiscal Space Undermined by Debt related Illicit Financial Flows? A Case Study of Selected SADC Member States

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ABSTRACT

Fiscal activism relates to the extent to which African governments can generate revenue to meet their financing needs. It is, therefore, a priority policy issue at all levels of governance both domestically and globally. Usually, every government is exposed to revenue shortfall which undermines their efforts and planning towards securing a sustainable socio-economic environment which is buttressed by efficient political frameworks and strong financial sectors. To guard against fiscal limitations, governments borrow. However, unchecked borrowing, borrowing utilised for non-economic activities that do not result in returns, but which are instead diverted towards private use and borrowing that results in the creditor looking at a debtor state as a pathway towards monetising the debt and earning more out of what is loaned, goes against the very idea of fiscal activism. A government borrows so that it has enough to run the state and its society. Consequently, this paper argues that debt can have the effect of supporting the African fiscal base, but it can also undermine the fiscal space by eroding it. This happens when debt creates an enabling environment for illicit financial flows to thrive or sneak into a country's legal system.

To explain this, the paper discusses how much of the African debt has been aggravated by historical injustices in the form of colonial and odious debts, emergence of vulture funds, lack of thin capitalisation rules, debt to equity swaps, lack of fiscal transparency and accountability for resource backed loans all which culminates into an environment that fosters opportunities for illicit finance or untaxed gains made out of manipulating the debt and the legal framework within which it operates.

Keywords: Africa, debt, illicit financial flows, swaps, and vulture funds

1. INTRODUCTION

The current collective African debt has accumulated to US$726 billion[14] and is pushing the continent towards austerity. Besides this, UNCTAD has estimated that Africa loses US$88.6 billion in Illicit Financial Flows (IFFs) annually[15]. Ndikumana and Boyce have repeatedly cautioned that the continent loses more in IFFs than it gains through investments, aid and borrowing[16]. Advocacy groups, such as the Tax Justice Network Africa, SEATINI, and AFRODAD have pointed out that the continent would be debt free if IFFs can be identified and curbed. Whether there are any linkages between the continent's growing debt and IFFs is a nascent area that must be explored. Considering this, the paper asks the following two questions. First, whether debt creates an enabling environment for IFFs to thrive. Second, whether there are any specific forms of debt related IFFs. These are the questions that this paper interrogates and reveals. As such, a discussion on Africa's fiscal space from an aspect of how the African fiscal space is undermined by debt related illicit financial flows is an important topic. The scope of the paper is limited to addressing these two questions with the aim of bringing to light the areas relating to law and finance that must be observed by states.

Much of this debt has been aggravated by the emergence of vulture funds, debt to equity swaps, lack of thin capitalisation rules, and reduced fiscal transparency and accountability for resource backed loans all which culminates into an environment that fosters opportunities for illicit finance or untaxed gains made from manipulating the debt and the legal framework within which it operates. This paper sheds light on how these foster debt related IFFs. The paper applies a mixed method approach using both qualitative and quantitative data sourced out of literature on taxation, development and fiscal sociology. Empirical data is taken from various sources such as African Economic Outlook, AfDB, UNCTADstat, IMF Global Debt Database, and the International Debt Statistics of the World Bank. All of the literature and data is understood from a case study perspective. Selected member states of the SADC region are the countries that are looked at in investigating the debt phenomena and debt related IFFs.

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14 This figure has been compiled on statista: https://www.statista.com/statistics/1242745/total-external-public-debt-in-africa/

15 UNCTAD, Tackling Illicit Financial Flows for Sustainable Development in Africa [2020] EDAR Report.

16 Ndikumana, L. and J. Boyce. "Capital Flight from Africa, 1970-2018, New Estimates with Updated Trade Misinvoicing Methodology." PERI Research Report, May 2021; Ndikumana, L. and J. Boyce. "Magnitude and Mechanisms of Capital Flight from Angola, Côte d'Ivoire and South Africa." PERI Working Paper, Dec. 2018; Boyce, J.K. and L. Ndikumana. "Capital Flight from Sub-Saharan African Countries: Updated Estimates, 1970 - 2010." PERI Research Report, October 2012; Ndikumana, L. and J.K. Boyce (2011). Africa's Odious Debt: How Foreign Loans and Capital Flight Bled a Continent. London: Zed Books; Ndikumana, L. and J.K. Boyce (2011). "Capital Flight from Sub-Saharan Africa: Linkages with External Borrowing and Policy Options", International Review of Applied Economics 25(2) 149-170; Boyce, J.K. and L. Ndikumana (2010)."Africa's Revolving Door: External Borrowing and Capital Flight in Sub-Saharan Africa," in Vishnu Padayachee (ed.), Political Economy of Africa.

The paper starts by a description of the rising debt levels and resulting underdevelopment in selected SADC states. It presents a historic context explaining the origin of debt in SADC and the fiscal vulnerabilities the region is exposed to. The paper then takes an evaluative approach to demonstrating debt related IFFs. Thereafter, the paper concludes and provides evidence-based policy recommendations to counter and prevent the debt-IFF interface.

2. RISING DEBT AND UNDERDEVELOPMENT IN SADC STATES

Sonko (1994) points out that Africa's international indebtedness has become a major problem since 1978[17]. This is due to major foreign trade defects, such as high export dependence and high concentration on a few commodities that resulted in fiscal shortages. Poverty, famine, low taxable populations, and small-scale economic activities during this period pushed the domestic state to borrow to finance its expenditure. Following the Covid-19 pandemic, the scramble towards debt has further pushed the continent towards the brink of heralding disaster. IFFs out of the continent that have been estimated by UNCTAD at US$88.6 billion annually have further exasperated the continent's revenue base forcing it to look towards creditors. In 1970 the total external public debts for Africa were estimated at US$6 billion rising to about US$158 billion in 1984. At a debt conference in December 1987, the former Organisation of the African Unity (OAU) estimated that African debt levels had risen to US$200 billion and projected that by the end of 2000, the African debt would stand at US$600 billion since by then the repayment periods would kick in, activating the debt service obligations. Sustaining such levels of debt repayments would be impossible especially since the African income from commodity exports had slumped along with the levels of external aid and financial investment[18]. Since then, the estimates of the level of African indebtedness have continued to gravely rise. Today the total external debt of African states is assessed at US$726.55 billion by the World Bank and AfDB[19].

SADC states have been experiencing a slow-down in economic growth. Based on the IMF data presented in its 2020 Regional Economic Outlook, SADC countries real GDP growth contracted to -5.5% after SADC economies showed a declining wage growth and an overall contraction of their money supply[20]. Similarly, the 2020 African Development Bank's Southern Africa Economic Outlook also estimated the regions baseline growth downwards to -4.9% with a worst-case scenario of -6.6.%[21]. Despite this, the 2021 IMF Regional Economic Outlook predicted an economic growth and recovery projected towards 3.3 per cent for SADC's economy.

This projection, however, has been revised downwards to a contraction of about 3 per cent by the 2020 SADC report on the Impact of Covid-19 Pandemic on SADC Economy. Member States have therefore, resorted to borrowing to meet their financing needs. They however set a target of their debt to GDP ratio not to exceed 60%. While some of the SADC countries have maintained a debt to GDP ratio of less than 15%, others, such as Angola, Mauritius, Mozambique and Zambia have surpassed this target[22]. In fact the 2020 SADC Regional Economic Performance Report projected SADC countries public debt to increase to 69% of their GDP in 2021[23]. A summary of the

17 Karamo N. M. Sonko, Debt, Development and Equity in Africa (University Press of America, 1994).
18 T. W. Parfitt and S. P. Riley, The African Debt Crisis (Routledge, 2011).
19 This figure has been compiled on statista: https://www.statista.com/statistics/1242745/total-external-public-debt-in-africa/
20 IMF, Regional Economic Outlook: Sub Saharan Africa. A Difficult Road to Recovery (2020), p.21
21 AfDB, Southern Africa Economic Outlook 2020 – coping with the Covid-19 pandemic (AfDB Group 2020)
22 IMF 2018 Global Debt Database (GDD).
23 SADC, Regional Economic Performance Report (2020).

2018 pre-Covid-19 external public debt to GDP ratio in percentage of SADC countries is presented in Figure 1.

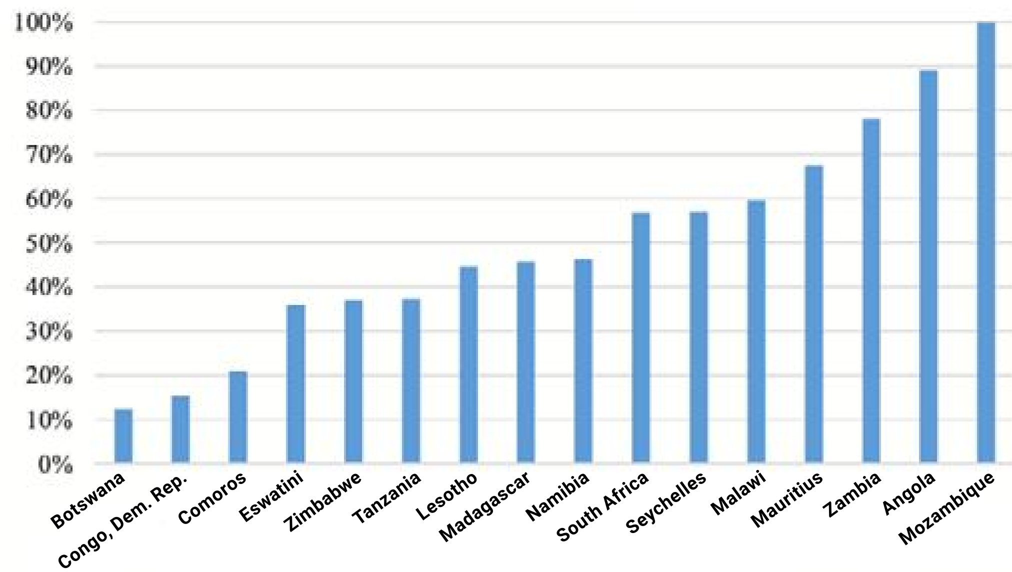
These 2018 debt statistics, show Angola and Mozambique to be on the path to debt distress even before the coronavirus pandemic related fiscal shocks[24]. Angola's oil driven economy has been in recession since 2016. This led to an increase in its debt-to-GDP ratio from 57.1% in 2015 to an estimated 123.3% in 2020[25]. Between 2014 and 2018 and prior to the Covid-19 pandemic, the debt accumulation between some of these SADC countries varied. In 2018, Angola represented the most indebted country whose debt was estimated at US$39 billion, followed by Tanzania, Mozambique, and Zambia whose external debt was estimated at US$10 billion. The rest of the SADC countries have had relatively lower external debts. A summary of the total external debt of some of the SADC countries between 2014 and 2018 for longitudinal comparison purposes is illustrated in Figure 2.

Beginning 2020, Zimbabwe is also in debt distress. Its external debt burden is excessive, and the country is incurring arrears[26]. The recent currency conversion and high inflation have significantly eroded its currency's real value leading to unsustainable fiscal deficits. In addition, Zambia's 2021 debt default has pushed its government to enter into restructuring talks with private creditors and China Development Bank[27]. Other SADC states are also estimating a rise in their debt to GDP ratio triggered by the Covid-19 pandemic. For example, Lesotho's public debt is projected to increase to 62.8% of the GDP in 2021 due to the pandemic, breaching the SADC convergence criterion of 60% of GDP. Its risk of external debt distress has been revised from low to moderate[28]. Further, the fiscal deficit as a result of disruptions from the Covid-19 pandemic has raised the 2021 debt-to-GDP ratio to 66% for Malawi; 50% for Eswatini; 68.4% for Namibia; and 76.1% for Mauritius[29].

With such tendencies towards a growing debt burden, it is important to know who the major creditors of SADC countries are. While official multilateral and bilateral creditors are SADC's major creditors to whom the region owe over 60% of the total external debt, non-official creditors and bondholders also lend money to SADC countries[30]. Angola, for example, owes a larger share of its external debt to non-official bilateral creditors. Perhaps this explains why Angola is the most indebted nation in the SADC region since the government takes out non-official loans which are subject to private confidential arrangements. Therein lies the danger of creating an IFF ecosystem through which debt proceeds can be shifted across borders with minimal oversight. In contrast, low-income SADC countries such as the DRC, Malawi and Mozambique owe over 80% of their external debt to official multilateral creditors such as the International Development Association (IDA) of World Bank, IMF and the AfDB[31]. Recent statistics presented by Acker et al (2020) reveal that almost half of the official bilateral debt of Angola, Comoros, DRC, Lesotho, Madagascar, Malawi, Mozambique, Tanzania, and

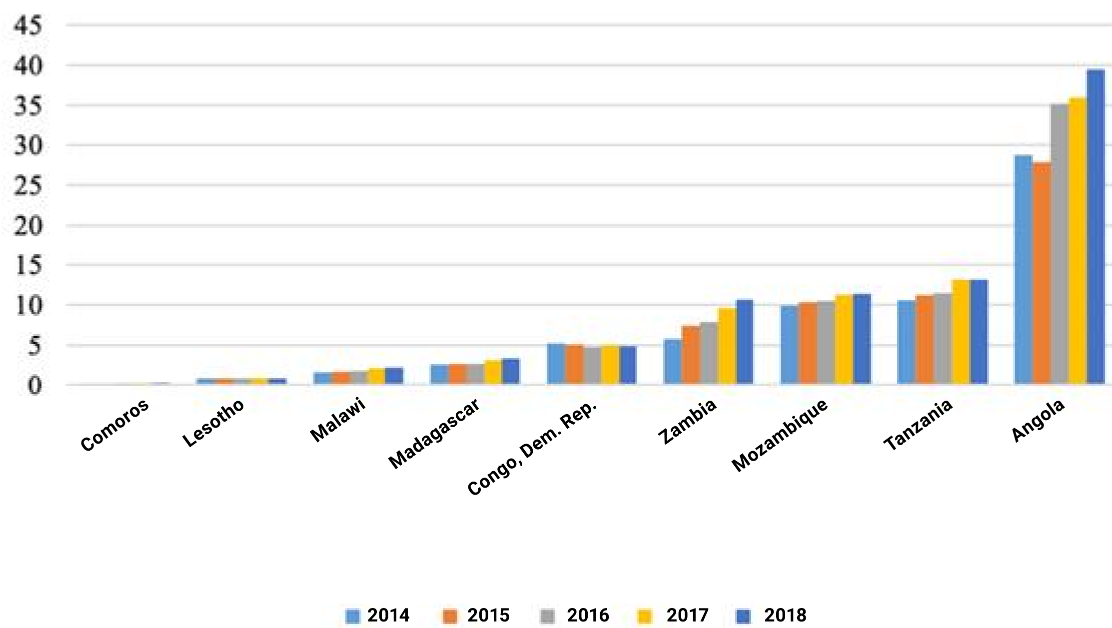
24 IMF, 'Angola: Third Review under the Extended Arrangement Under the Extended Fund Facility, Requests for Augmentation and Rephasing of Access, Waivers of Non-observance of Performance Criterion and Applicability of Performance Criterion, Modifications of Performance Criteria, and Completion of Financing Assurances Review-Press Release; Staff Report; and Statement by the Executive Director for Angola' [2020] IMF.
25 African Economic Outlook, From Debt Resolution to Growth: The Road Ahead for Africa [2021] AfDB.
26 IMF, 'Staff Report for the 2019 Article IV Consultation – Debt Sustainability Analysis' [2020].
27 K Gallagher and Y Wang, 'Sovereign Debt Through the Lens of Asset Management: Implications for SADC Countries' [2020] GEGI Working Paper 042.
28 African Economic Outlook, From Debt Resolution to Growth: The Road Ahead for Africa [2021] AfDB.
29 African Economic Outlook, From Debt Resolution to Growth: The Road Ahead for Africa [2021] AfDB.
30 African Economic Outlook, From Debt Resolution to Growth: The Road Ahead for Africa [2021] AfDB; K Gallagher and Y Wang, 'Sovereign Debt Through the Lens of Asset Management: Implications for SADC Countries' [2020] GEGI Working Paper 042; M Biyase, 'General Government Debt and Growth in SADC Countries' [2019] EuroEconomics, Issue 2 (38).
31 World Bank – IMF DSSI database (accessed 2021).

FIGURE 1: DEBT TO GDP RATIO OF SADC STATES (2018)



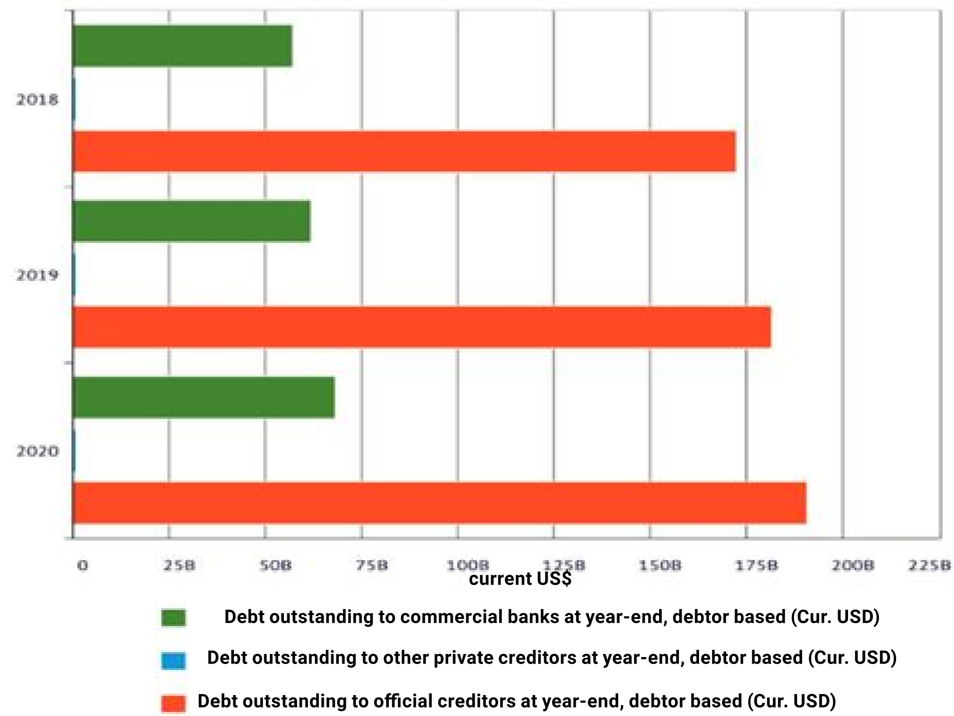
Source: IMF Global Debt Database (2018)

FIGURE 2: TOTAL EXTERNAL DEBT OF SELECTED SADC STATES FROM 2014 TO 2018 IN US$ BILLIONS



Source: World Bank – IMF DSSI (**D**ebt **S**ervice **S**uspension **I**nitiative) database (accessed 2021))

FIGURE 3: DEBT OWED BY SADC STATES IN US$ BILLION AS AT 2020



Source: AfDB database
https://high5.opendataforafrica.org/exmpwud/afdb-socio-economic-database-1960-2019?country=1000680-sadc#

Zambia is owed to China[32]. Estimates on how much the SADC region owes official creditors, commercial banks and other private creditors is shown in Figure 3.

The data above shows that that collective SADC debt outstanding to official creditors is estimated at US$ 190.9 trillion, to commercial banks is estimated at US$ 68.1 trillion and to other private creditors is estimated at US$ 1 trillion. The data above shows that SADC economies benefit more from official creditors and commercial banks. African countries have also begun a trend in using Eurobonds to finance maturing debt obligations and heavy infrastructure projects paying interest rates between 5-16% on 10-year government bonds which are higher than the rates offered to European countries. The 2020 International Capital Market Association (ICMA) report estimated the domestic African bond market to be US$802.9 billion dominated by South Africa whose government issued US$329.3 billion in bonds[33]. Mozambique's bond market is an example of government and creditor abuse of debt financing intended for development activities. The Tuna Bonds Scandal emerging out of Mozambique's bond issuance showed how public debt was illegally routed towards private interests plunging the country into a debt crisis[34].

Parfitt and Riley (2011) explain that indebtedness has produced several serious consequences in Africa[35]. It has meant shortages of essential

32 Acker, K; Brautigam, D & Huang, Y 'Debt relief with Chinese characteristics' (2020) CARI Paper Series JHU-CARI: Washington, D.C.
33 https://www.icmagroup.org/About-ICMA/icma-regions/africa/african-corporate-bond-markets/
34 F K Bokosi and R Chikova, Bonds issuance and the current debt crisis in Mozambique (AFRODAD, Policy Brief, 2019)
35 T. W. Parfitt and S. P. Riley, The African Debt Crisis (Routledge, 2011)

imports, declining production, growing hardship amongst the poor who are already heavily taxed and an inability to replace infrastructure. It has given the IMF, World Bank and creditor countries far greater leverage and grip over African governments than was previously the case. It has led to a significant deterioration in the quality of life of the African population due to the diversion of funds away from economic and social redistribution towards repayment of the principal debt, interests, and penalty payments. Thus, when a government with high debt implements fiscal stimulus, consumers will be more likely to expect that tax increases will soon follow than when debt is low. The burden of taxation that is imposed on the African population prevents them from saving, which in the long term subjects the economy towards regression.

The increasing levels of debt owed by indebted SADC states have resulted in developmental and state building challenges. In its 2021 budget, Zambia allocated more money to debt servicing than to education, health, water and sanitation[36]. 88% of Zambians are living on less than US$6 a day. Throughout the pandemic, Zambia has been spending 4 times more on debt payments (as a result of going into default on its external debt in November 2020[37]) than on public health[38]. 44% of government revenue is spent on repaying external debt in Angola, consequently only 6% is spent on public health. Within the SADC region, Angola has the highest child mortality[39]. In 2017 Angola owed US$21.5 billion in debt to China which was guaranteed by the nation's oil as collateral.

Further, the number of Zimbabweans in extreme poverty (further exacerbated by Covid-19 lockdown measures) has reached 7.9 million[40]. South Africa and Zimbabwe have encountered foreign exchange shortages due to low commodity prices and debt servicing problems. Lack of foreign exchange leads to an inability to obtain essential imports, which can cause local shortages of essential goods such as food. In South Africa, this chain of events led to the recent domestic unrest and instability. The choice then facing such countries is to take on further loans, to negotiate for the rescheduling of their debts, or default. Alongside this debt problem, development challenges within SADC also stem out of regions vulnerability to illicit financial flows.

3. ORIGINS OF THE DEBT DISASTER IN INDEBTED SADC STATES

Regional integration for southern African states was achieved with the establishment of the Southern Africa Development Community (SADC). SADC comprises of 16 Member States[41]. The region manifests a mixed historical heritage following the scramble for Africa which saw the region divided between the Dutch, Germans, British, and Portuguese amidst a diverse indigenous population. Each of the SADC states have their unique historical, decolonial, legal and political identity shaped by their colonial predecessors, their post-colonial and post-apartheid domestic regimes, and international institutions and stakeholders. Some of the SADC states were built on the apex of racial hierarchy[42], others followed dictatorship or a one-party rule system[43], while others fought civil war[44].

36 Amnesty International, Southern Africa needs assistance. An open call to the regional and international community [2021]
37 Zambia becomes Africa's first coronavirus-era default: What happens now? CNBC, 24 November, 2020
38 Zambia edges towards debt default, but bondholders could make millions, Jubilee Debt Campaign, 02 November, 2020; Financial Times, 'Zambia's debt crisis casts a long, global shadow' November 16 2020
39 S Bagree, 'The New Debt Crisis in Southern Africa: Angola, Zambia and Zimbabwe' [2018] Jubilee Debt Campaign
40 The Guardian, 21 June 2021: Half of Zimbabweans fell into extreme poverty during covid
41 Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic of Tanzania, Zambia and Zimbabwe
42 South Africa and Zimbabwe
43 Malawi, Mozambique, Seychelles, Zambia, Zimbabwe
44 Angola and DRC

Such political manifestations and insecurity in the SADC region meant that the legal and financial systems of the Member States could potentially be vulnerable and exposed to fostering different forms of IFFs. This could be due to the fact that a poorly regulated legal and financial system due to civil conflict, state capture, patronage or dictatorship allow economic players with institutionalised paths to financial secrecy and to carve out and manipulate access routes into and out of the economy of untaxed profits and illicit finance. Financial secrecy is key to earning and moving debt related IFFs as will be explained later. Financial secrecy is a common feature of deregulated markets which are themselves characteristic of the Washington Consensus requirements that SADC countries were obliged to implement in exchange of FDI and aid. The Washington Consensus was a US led financial ordering that was imposed on Africa to accept privatisation as its economic system and through which the continent's growth would be externally supported.

Despite this, each country within the SADC bloc has one phenomenon in common: struggling towards the goal of shared prosperity in the economy of their nation. However, their economic markets have been modelled along the Imperial vision set out by the World Bank and IMF led structural adjustment plans. These plans are aligned in such a way to keep SADC countries subordinate to foreign political and economic superiority, particularly through the debt arrangements and repayment of inherited colonial debts. Consequently, post-colonial SADC economies continue to serve the interests of foreign capital and their tax systems have evolved in relation to pressures from outside. Even today, their normative tax regimes are shaped by the former colonising powers' social, economic, and political structuration and this has created power asymmetries and inequalities towards SADC countries mobilising sufficient tax revenues from FDI, foreign companies and the double taxation agreements that they execute.

Consequently, in designing their post-colonial economic and fiscal policies, SADC states were restricted to establish an economic order that would respond to the international markets that were imperially conceived. They had to value their local currency against the strength of the US dollar, their entry into the international market was subject to the use of the US dollar as the medium of exchange, their balance of payments was to be assessed by valuation of their currencies against the US dollar. This required SADC states to negotiate bilateral treaties with foreign states for the purpose of directing investment into their domestic markets with which to strengthen their revenue mobilisation and in turn their currencies. When this could not be achieved, SADC states took to borrowing. Since the states borrowed in foreign currency, they would service their debt in foreign currency. This resulted in the indebted states paying more after local to foreign currency conversions. Further, the repayment of inherited loans during the colonial period created fiscal constraints taking into account interest accumulation that also required payment in foreign currencies. The pressure on the domestic revenue base forced SADC countries to continue borrowing to repay previous loans.

SADC states are mineral producing states. As a result, some member states (for example: Angola, DRC and Zimbabwe) have structured the natural resources and extractives sectors of their economy to permit taking out resource-backed loans (RBLs) to support their governments financing development policies. RBLs have short maturities, high interest rates and no commitments on how the money will be used. They can trap resource rich countries into losing control of their resources when the loan cannot be repaid at maturity because the debtor country is unable to scale up its resource production quickly enough to begin making payments. For example, in a recent 2020 report by the Natural Resource Governance Institute (NRGI), the authors provide evidence linking RBLs to draining development in Africa[45]. RBLs are loans that are provided to a government or a state-owned company where repayment is either made directly in natural resources (such as oil or minerals), or from a resource-related future income stream. RBLs can also be guaranteed by offering a natural resource as collateral. RBLs are usually negotiated in private. As such RBL terms and conditions are not publicly documented.

The NRGI 2020 report identified 30 RBLs that have been signed with 11 African countries between 2004 and 2018. Out of the 11 RBLs, 3 were signed with the following SADC states: Angola (US$24 billion), DRC (US$3.5 billion) and Zimbabwe. Angola and Zimbabwe are on the path to debt distress and have poor development indicators. Transparency has been lacking in their negotiation and signing of RBLs. Hence, it is difficult to come across further data on RBLs availed to other SADC states, if any. RBLs can increase debt repayments since their interest rates can flutter across fixed and floating rates. This distinction is important because a floating interest can increase when the global lending rates increase – thereby increasing the debt due. Usually, interest rates applicable to RBLs are fixed as low as 0.25% whereas the floating interest rates can vary between 1% to 2.95%[46]. The RBL issued to Zimbabwe was capped at 2% - high for the Zimbabwean economy constrained by UK, USA and EU financial sanctions. Zimbabwe is currently heading towards debt distress on its US$11.1 billion public debt[47]. It is not known how much in RBLs are responsible for its growing external debt.

Due to the lack of publicly available information on RBLs, it is also not possible to say what other costs are charged on top of interest. The 2020 NRGI reports confirms that on top of an annual interest, there is also the requirement to pay additional untaxed costs towards servicing the loan, such as a flat management fee, a commitment fee and a one-time insurance premium. All these costs add to the debt payable. These fees and premium are repatriated abroad, untaxed.

4. SADCS DEBT RELATED VULNERABILITIES

The availability of external debt on conditions imposed by foreign lenders has placed SADC countries as passive players in an economic and financial system actively created by tax base eroding institutions[48]. SADC markets were therefore seen as securities for international lending institutions[49] that allowed SADC governments to overborrow. This aim was achieved by ensuring that the SADC region was forced to adopt a monocultural, primary commodity-based pattern of development initially set up by their former colonial and apartheid masters[50]. Such economies are vulnerable to the vagaries of the world market, in which many primary products are prone to a cycle of boom and slump.

At independence the colonial governments handed power to the urban and agricultural elites that had emerged from this economic context. This lent itself to preservation of the monocultural economy since these ruling groups derived their revenue from trade and primary commodity production rather than from industrial investments. Their lack of managerial and technical expertise, together with their orientation towards trade and

45 D Mihalyi, A Adam and J Hwang, 'Resource-Backed Loans: Pitfalls and Potential' [2020] NRGI
46 D Mihalyi, A Adam and J Hwang, 'Resource-Backed Loans: Pitfalls and Potential' [2020] NRGI
47 African Economic Outlook, From Debt Resolution to Growth: The Road Ahead for Africa [2021] AfDB
48 Mentan, Tatah. 2010. The State in Africa: An Analysis of Impacts of Historical Trajectories of Global Capitalist Expansion and Domination in the Continent. African Books Collective
49 Mohan Giles, Ed Brown, Bob Milward et al., Structural Adjustment: Theory, Practice and Impacts (Routledge 2000)
50 Moyo, Dambisa, Dead Aid: Why Aid Is Not Working and How There Is A Better Way for Africa (New York: Farrar, Straus and Giroux, 2009)

consumption led to a dependence on foreign capital to finance some limited economic diversification. Unfortunately, such dependence resulted in an anti-development financial sector that thrived on foreign investments conditioned towards an outflow of capital in the form of profit repatriation, management, and consultancy fees, which later became the drivers of IFFs. SADC debt accumulation in this way shaped its economy in such a way that the Member States have an inbuilt tendency towards balance of payments deficits which can only be filled by drawing on loans via a legal system conducive to profiting the foreign creditors.

Further, political cleavages within the Zambian, South African and Angolan states that have developed along ethnic/race/regional lines with political factions securing support through means of patronage have enabled a legal environment conducive to the misuse and misappropriation of debt, thus exacerbating tendencies towards indebtedness. The debt that was acquired by SADC governments to restore economic equilibrium and growth somehow got caught up within a web of illicit networks draining development out of the SADC region. The extractives sector of SADC countries has also been susceptible to this anti-development fiscal order that thrives on attracting foreign investments. The licensed mining corporations that legally extract minerals and other natural resources are based on bilateral investment treaties (BITs) or double taxation agreements (DTAs) between a SADC state and the resident country of the mining company. These BITs and DTAs create an enabling environment conditioned towards an outflow of capital in the form of full profit repatriation, management, and consultancy fees. These kinds of financial flows have often been associated with IFFs, and base erosion which in turn do nothing towards strengthening resource mobilisation from the mining sector that could be used to offset debt payments.

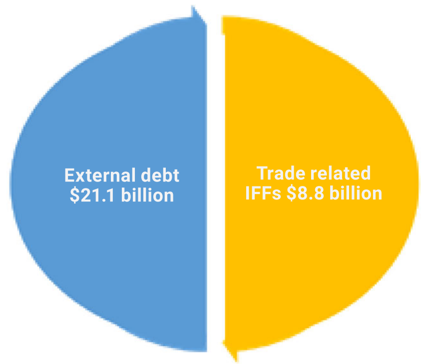
5. THE IFF MENACE IN SADC STATES

IFFs result in a devastating impact on African economies, peace and security, human development, and the achievement of human rights. The Africa Union, United Nations, World Bank, and the International Monetary Fund consider IFFs as the greatest obstacle to lifting millions of Africans out of poverty. Of the various forms of IFFs, debt related IFFs are understudied. The 2015 Mbeki report listed out several methodologies to estimate IFFs out of Africa. Of these methodologies the World Bank Residual Method was flagged out to potentially estimate debt related IFFs. This method considers approximating IFFs as the difference between the source of funds (whether as external debt or through FDI) and the use of funds (expressed as part of current account deficit and reserves)[51]. In other words, the difference between what comes in and what is accounted for. Arguably, the difference is lost through IFFs. This method is helpful in ensuring accountability of loans issued to SADC and how these loans are applied towards development finance. However, the method does not explain through which forms of IFFs the loan proceeds are lost, it only shows the difference between the loan issued and how much of it is accounted for.

The presence of high levels of debt can have the effect of reciprocally creating and reinforcing the incidence of IFFs. For example, corrupt states with weak financial institutions can trap and re-route external loans to tax havens or foreign jurisdictions with low compliance controls for private interests. The Luanda Leaks are informative on how the former president of Angola and his daughter were responsible for siphoning off funds, partly comprising of external loans, through a web of schemes relying on corruption, offshore centres and using corporate tax evasion practices that saw billions of dollars diverted out of state companies

51 United Nations, Economic Commission for Africa, 'Illicit Financial Flows: Report of the High-Level Panel on Illicit Financial Flows from Africa' (Addis Ababa 2015)

FIGURE 4: COMPARISON BETWEEN SADC'S EXTERNAL DEBT AND TRADE RELATED IFFS



Source: ACTSA#

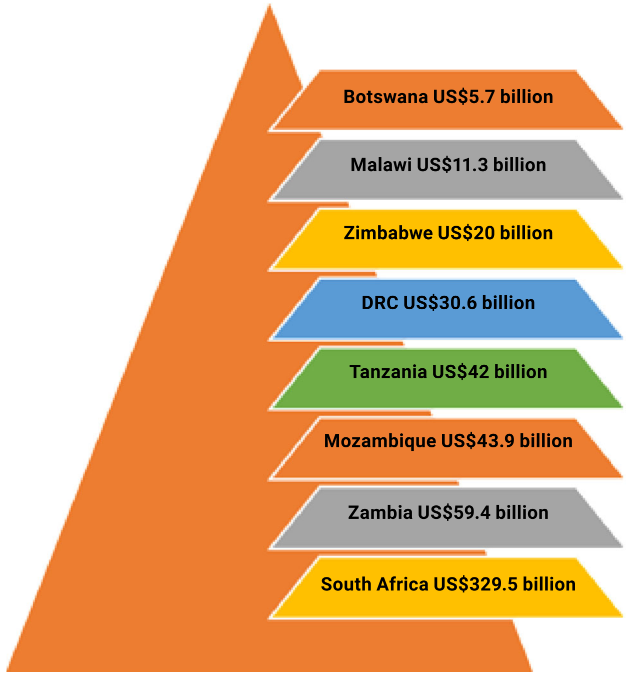
to foreign jurisdictions towards their private ventures[52]. The impact of debt on development has to some extent been set out under *The Money Drain* report prepared by ACTSA. This report showed how trade mis-invoicing and unjust debt undermines economic and social rights in southern Africa[53]. According to the statistics presented, the SADC region is responsible for approximately US$21.1 billion in external debt. Alongside these debt statistics, the report estimated that SADC countries have lost US$8.8 billion in trade related IFFs. This figure, however, does not factor in tax revenue lost from other types of corporate, criminal and corruption related IFFs.

In a report by Global Financial Integrity (GFI), it was estimated that while the SADC region attracted US$175 billion in FDI and ODA between 2009 and 2013, it also lost US$173 billion in IFFs[54]. Taking the example of Zimbabwe, AFRODAD estimates indicate that between 2009 and 2013, the country's mining sector lost US$2.7 billion, while GFI estimates suggest that the country also lost US$670 million in 2015 because of trade mis-invoicing. The GFI has also documented that SADC states have lost more than US$314 billion in IFFs from 2004 to 2013[55]. Without specifying regional estimates, UNCTAD in its EDAR 2020 report revealed that collectively US$88.6 billion leaves the African continent in IFFs annually. The Africa Union published a study in 2020 which projected that the continent could be losing up to US$500 billion forcing African countries to borrow heavily to survive the current pandemic[56]. In May 2021, Boyce and Ndikumana revised the estimates of IFFs out of capital flight out of Africa between 1970 and 2018. According to their statistics SADC countries lost the following billions in capital flight during the period shown in Figure 5 (see next page).

The total capital flight over three decades from these SADC countries amounted to US$542.4 billion. This amount is more than half of what the entire continent owes in external debt today estimated at US$726.55 billion. It is also 4 times the external debt owed by those 8 SADC countries. Arguably then, if revenue was not lost due to capital flight, these 8 SADC countries would not be

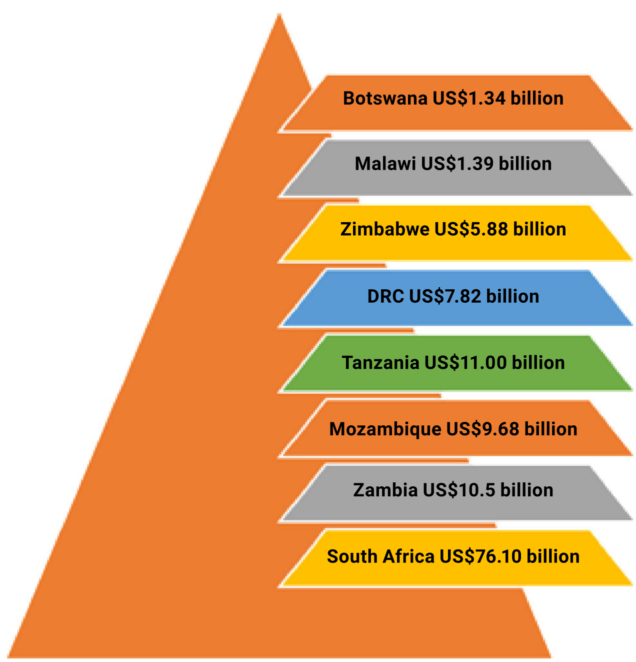
52 Read more here: https://www.icij.org/investigations/luanda-leaks/
53 ACTSA, The Money Drain. How trade misinvoicing and unjust debt undermine economic and social rights in southern Africa [2019] Briefing Paper
54 http://nangozim.org/news/curb-illicit-financial-flows-good-sadc-countries
55 GFI, 'Illicit Financial Flows to and from Developing Countries: 2005-2014' [2017]
56 AU, COVID-19 could cost Africa $500 billion, damage tourism and aviation sectors [April 2020]

FIGURE 5: CAPITAL FLIGHT OUT OF SADC STATES (1970 – 2018 IN US$ BILLIONS)



Source: Boyce and Ndikumana (2018)#

FIGURE 6: EXTERNAL DEBT OWED BY SADC STATES (2019 IN US$ BILLIONS)



Source: World Bank

indebted today. Figure 6 presents the total external debt accumulated in 2019 by these 8 SADC countries totalling to US$123.71 billion.

SADC countries are mineral resource exporting countries[57]. As such they are more prone to exporting large amounts of IFFs due to several factors. First, large exports of minerals provide more opportunities for trade mis-invoicing. This is because of the revenue authority's weak tax enforcement and collection capacity alongside regulatory arbitrage in overseeing the governance of the extractives sector by various state officers. Private MNEs do not share transparent financial data and information on their mineral exactions for government audit. This results in manipulating invoices and financial data through which taxable profits are reduced and subjected to illicit flows offshore. Of the US$88.6 billion that is annually lost through IFFs from Africa, approximately US$40 billion is lost from the continent's gold sector[58]. Second, their extractive industries provide political leaders with a certain level of independence removing the need for accountability from the politicians involved in those industries. Third, their extractive industries require a high level of expertise, which leads to relatively low levels of competition, creating oligopolies who may collaborate with governments and competitors for contract negotiations, joint ventures and other arrangements. The low levels of competition can lead to companies working together to export illicit capital outflows. These countries also have higher rates of corruption and money laundering further compounding challenges associated with IFFs[59].

Debt related IFFs have not extensively featured in the IFF literature on SADC. Instead, debt related IFFs are grouped under commercial aspects of IFFs. Trade related IFFs are prevalent in the SADC region. Trade mis-invoicing is the most common form of such trade related IFFs. GFI describes trade mis-invoicing as the '*deliberate falsification of the value, volume, and/or type of commodity in an international commercial transaction of goods or services by at least one party to the transaction*'[60].

Between 1980 to 2018, Signe et al (2020) found that Africa exported an aggregate of US$1.3 trillion in IFFs. Had this amount been retained on the continent, it would have significantly reduced the current total external debt of US$726.55 billion owed by the African states collectively. These authors also claim that among the top emitters of IFFs from the SADC region are countries with natural resources: mining products in South Africa, DRC, Botswana and Zambia, and oil and gas in Angola[61]. In so far as the enabling environment that fosters IFFs in SADC states is concerned, literature has pointed towards poor governance[62], and corruption[63]. High levels of financial secrecy in neighbouring states exposes the rest of the SADC region to IFF. It remains to be seen whether the implementation of the register of beneficial ownership in SADC states will curb the instances of IFFs in the region or at least expose the owners of corporate vehicles used for capital flight.

The collective impact of IFFs in SADC states is felt within the economic and social sector when citizens access to public goods and the benefits of redistribution are limited and restricted. IFFs

57 L Signe, M Sow and P Madden, Illicit Financial Flows in Africa. Drivers, destinations and policy options [2020] Policy Brief, Africa Growth Initiative
58 UNCTAD EDAR Report (2020)
59 L Signe et al [2020]
60 GFI, Trade misinvoicing [2019]
61 L Signe et al [2020]
62 E Osei-Assibey, K O Domfeh and M Danquah, Corruption, institutions and capital flight: evidence from sub Saharian Africa [2018] Journal of Economic Studies, 45 (1), 59-76; S A Asongu and J C Nwachukwu, Fighting capital flight in Africa: Evidence from bundling and unbundling governance [2017] African Governance and Development Institue Working Paper
63 Goredema, C, Combatting illicit financiak flows and related corruption in Africa: Towards a more integrated and effective approach [2011] U4

and debt have deprived SADC states of resources with which to finance development needs. In the SADC region, 52% of the collective population lack electricity[64], 31% of the youth are unemployed[65], 80% of the urban population live in slums[66], 40% do not have access to basic drinking water and sanitation[67], 80% are without pension[68], 32% of students are illiterate[69], 5.4 million people are undernourished and 30.9% of people face severe food insecurity[70]. The impact of Covid-19 economic contractions is yet to increase these statistics.

6. ENTANGLEMENTS WITH DEBT RELATED IFFS IN SADC

Indebted African states have utilised external debts towards wasteful prestige projects and self-enrichment instead of redistributing the debt towards development. For example, in 2016 the government of Mozambique guaranteed debts over US$1 billion taken out by semi-public entities in Mozambique without submitting them to parliament in accordance with the Republic's constitution[71]. Outwardly, it appeared that the loans would pay for establishing tuna fishing and maritime security businesses. Instead, about US$500 million of the loans could not be accounted for, and US$200 million had been spent on bank fees and commissions[72]. The government of Malawi has been accused of wasting the US$91 million IMF loan provided under the Fund's Rapid Credit Facility to help address the Covid-19 pandemic. Parts of this loan have been spent on paying non-existent employees, purchasing personal protective equipment at inflated prices, and paying per diems for foreign trips[73]. '*Frightening findings*'[74] have also been observed in the mismanagement of loans borrowed by South Africa to cushion its economy from the Covid-19 economic shocks. While SADC governments have been responsible for the misuse and mismanagement of debt, creditors also bear responsibility in adjoining debt as part of the IFF ecosystem thriving in SADC. How they do this is discussed next.

6.1. VULTURE FUNDS ENCOURAGE DEBT RELATED IFFS

There are various ways of characterising external debt. First, external debt can be classified based on the status of the donor, generally divided into official and private debts. Official debts are those obtained from national governments or their agencies or from international agencies like the World Bank and IMF. Private debts consist of those obtained from private creditors and include Eurodollar loans, supplier's credit for exports and loans from private commercial banks. It is this private creditor – debtor relationship that can foster the debt/IFF interface. Within their framework of entering into loan arrangements with nations states, these private creditors operate debt as a form of business. They do this by entering into separate arrangements that allows them to sell their debt to a third party. Usually, this third party buys their debt for the purpose of speculating in and profiteering

64 AU et al., Africa Sustainable Development Report [2018], p.10
65 AUC and OECD, Africa's development dynamics [2018], p.98
66 UN Habitat, World cities report [2016], p.204
67 AU et al., Africa Sustainable Development Report [2018], p.12
68 ILO, World social protection report 2017-2019 [2017] p.127
69 S Bashir et al., Facing forward [2018] World Bank, p.67-68
70 FAO and ECA, Africa regional overview of food security and nutrition [2018] p.3-7
71 A Williams and J Isaksen, 'Corruption and state backed debts in Mozambique: What can external actors do?' [2016] U4 Anti- Corruption Resource Centre, Chr. Michelsen Institute
72 See the court documents here:
1. Mozambique v Credit Suisse & Ors. (CL-2019-000127) 2. Mozambique v Safa (CL-2019-000482)
3. Banco International de Moçambique SA v Credit Suisse (CL-2020-000243)
4. VTB Capital PLC v Mozambique (CL-2019-000817 and BL-2020-000984)
5. Beauregarde Holdings LLP & Anor. v Credit Suisse (CL-2020-000822)
73 M W Kateta, 'Malawi audit confirms extensive mismanagement of Covid-19 funds' Devex, 29th April 2021
74 As reported in BBC News, 'Coronavirus in South Africa: Misuse of Covid-19 funds 'frightening' [2 September 2020] https://www.bbc.co.uk/news/world-africa-54000930

from the poor country who may default in its debt service. This third party is usually a vulture fund.

A vulture fund is a company, usually an investment fund set up by commercial creditors that seeks to make profit by buying up 'bad' debt at a cheap price, then attempts to recover the full amount, often by suing through the courts[75]. The IMF has defined vulture funds as companies which buy the debt of poor nations cheaply when it is about to be written off and then sue for the full value of the debt plus interest – which is sometimes ten times more than what they paid for it. The full profits they make on debt that they purchased cheaply along with interests earned on the principal amount is usually routed through a web of transnational companies registered in either secrecy, or low/no tax offshore jurisdictions making it difficult for revenue authorities to tax the profit and interests earned. Such tax evasion practices are characteristic of vulture funds.

The key features of a vulture fund are: first, that it is not the primary lender of money, Second, it acquires the title deed of the debt through the purchase of the money owed on a secondary market and third, it goes to court to sue the sovereign debtor for the full value of the debt, plus interest, generally making a profit. Vulture funds target poor country governments. Many of these vulture funds are based in tax havens hence tend to be quite secretive. As such there is limited or no information on who owns them. When an impoverished country has an outstanding debt owed to a private creditor that has not been written down or restructured there is a chance that a financial organisation will seek to buy that debt at reduced prices and seek repayment of the original amount and more.

The debtor government is threatened with legal action and when they lose, the court rules that the debtor government pay the original debt, interest and fees accrued since the debt has been in arrears as well as the legal costs. Firms call this capitalising, but in reality, this vulture activity should be seen as a form of IFFs as they have the effect of paralysing the economies of indebted nations.

Angola, Mozambique, Tanzania, and Zambia have been subjected to such vulture action. While vulture activity can be described as immoral, it is not, strictly speaking, illegal. The profits made on suing for distressed debts therefore cannot be deemed as illicit earnings. But when these profits are repatriated to tax havens shielding the interest from taxation, then such earnings fall within the definition of IFFs. Since they are earned because of suing over a loan agreement, it exposes the entanglement between debt and IFFs through vulture funds.

See stages below for an understanding of how a vulture fund operates.

STAGE 1:	STAGE 2:	STAGE 3:	STAGE 4:
Poor African country defaults on debt	Vulture fund buys defaulted debt from creditor country paying a very low amount	Vulture fund sues poor country for full amount of debt and the accumulated interest, and any additional penalties	Vulture fund maximises profit off defaulted debt

Vulture funds can purchase debt of state-owned enterprises. They then pursue any companies which do business with their target country in courts around the world and try to force them to pay the debt. This holds poor countries to ransom and prevents them trading their way out of poverty and forces them into further debt. The World Bank in 2019 revealed that African countries spent more money servicing their debts than they did on health. Vulture activity is one such factor forcing

75 Devi Sookun, Stop Vulture fund Lawsuits (Commonwealth Secretariat, 2010)

states to make good on their debts. In one recent case against Zambia, a vulture fund, having bought a debt for US$3 million, sued Zambia for US$55 million and was awarded US$15.5 million, making a profit of US$12.5 million. None of these extra earnings on the recovered debt were subjected to withholding tax by the Zambian government on the interest earned. Perhaps because the award was shifted and routed through multiple jurisdictions in the form of repaying investors the amounts, they contributed towards the vulture fund purchasing the debt. Since beneficial ownership registers were then not publicly available, these investors could probably have been the same shareholders of the vulture fund who registered several subsidiaries to facilitate profit shifting.

Vulture funds that purchase debt are nested in tax havens or are shell companies, thus it is impossible to quantify how much debt around the world they hold. Since it is subject to a private contract, the discount rate at which the debt is purchased is also not publicly known. When the company sues for full recovery, it makes a profit, such as the case of Zambia. Since the domestic revenue authority is not aware of the purchase price of the debt (contract negotiated through clusters of companies spread out in various jurisdictions), the full recovery of the debt at a later stage if it results in a profit, remains outside the tax bracket as it will be deemed recovery of an expense. A classic modus operandi for IFF. The activities of vulture funds clearly undermine African debt repayment approaches and relief interventions.

6.2. DEBT-TO-EQUITY SWAPS CAN BE RESPONSIBLE FOR DEBT-RELATED IFFS

Vulture funds can facilitate IFFs by engaging in debt-to-equity swaps - instead of the debt being repaid, the creditor is given shares in the company. For example, Z Ltd is registered in a tax haven and is involved in Illegal Unreported and Unregulated (IUU) fishing in Africa. Z Ltd loans money to B Ltd; a sugar production company. Later Z Ltd enters into a debt-to-equity swap. Now it has shares in B Ltd. As a shareholder in B Ltd, Z Ltd can advise B Ltd to limit its tax liability by paying dubious offshore claims for intellectual property fees, management fees or consultancy costs. Another example that demonstrates how debt-to-equity swaps can result in IFFs is where Z Ltd loans money to B Ltd and then formally asks for a swap. Z Ltd then argues before the domestic revenue authority that the money received constitutes a capital gain rather than an investment income, which results in a lower rate of tax. This is a classic example of tax dodging through swaps.

Debt to equity swaps can also be used to launder illicit proceeds by converting the debt owed by a state-owned enterprise under a joint venture company (JVC) with a foreign MNC into equity for the creditor who can use the opportunity to invest more in equity shares using laundered proceeds for example or utilising the JVC to move money in the form of repayments for legal claims such as intellectual property, management fees, or consultancies fees offshore. The debt-to-equity program provides opportunities for criminals to launder their money by exchanging it for debt under the program. This can be facilitated through round tripping. Round tripping is the process where funds are returned after being transferred to an entity shell company, financial instruments, location, or a person that have lower regulatory standards or obligations – giving the impression that the funds have derived from a clean source and thus completing a round trip. Swaps can therefore facilitate crime related IFFs through money laundering schemes into the program.

Since the debt-to-equity swap is linked to the GDP of the country, it can aid economic recovery or stunt it. When an MNC is party to the swap program, its purpose of purchasing the debt for equity is to channel its investment capital into productive use in the private sector. Being the subject of double taxation treaties, these MNCs are able to shift the profits earned on their investments across multiple jurisdictions depriving the indebted state the opportunity to tax the gains so made. The debt-to-equity swap can also buffer the government against repayment of the loan thereby saving its revenue base.

6.3. THE ABSENCE OF THIN CAPITALISATION RULES CAN ALLOW DEBT-RELATEDIFFS TO THRIVE

Thin capitalisation rules exist to prevent international debt shifting. It prevents a private creditor who is issuing debt to a state to make excessive interest deductions in order to avoid paying tax in its own jurisdiction – yet earning more in interest from the debtor state. Relatedly, it is important to set out a debt-to-equity ratio – high debt to equity ratios would mean that a private creditor would be able to claim higher tax deductions if interest on debt is taxed by the debtor state by moving debt repayments offshore to its subsidiary incorporated in a low or no tax jurisdiction. This would create an enabling environment for IFFs.

The two most common types of thin capitalisation rules that are used in practice are safe harbour rules and earnings stripping rules. Safe harbour rules restrict the amount of debt for which interest is tax deductible by defining a debt-to-equity ratio. Interest paid on debt exceeding this set ratio is not tax deductible. In this way countries can protect their taxable revenue base. High debt to equity ratios would mean that an MNC who invests in a domestic state would be able to claim higher tax deductions by moving debt repayments offshore to its subsidiary incorporated in a no/low tax jurisdiction. Such debt shifting will have implications towards the domestic state's potential to then mobilise revenue. Most countries only include internal debt in this ratio. Earnings stripping rules limit the ratio of debt interest to pre-tax earnings and are recent.

Thin capitalisation rules are applicable to internal not external debt in SADC countries, except for Angola where thin capitalisation rules are not applicable[76]. This means that external debt can be susceptible to thin capitalisation by private creditors. This may perhaps indicate why the SADC region was prone to capital flight between 1980-2018 (section 5, figure 6). The absence of rules to keep in check against inflating debt against available equity can have the potential to foster IFFs. Debt shifting can also be done by re-routing the debt through tax havens or low tax jurisdictions. For example, in 2007 Zambia Sugar borrowed US$70 million, which on paper was routed through Ireland to avoid Zambian tax on the interest charges costing Zambia US$3 million in withholding taxes[77].

In Namibia, the situation is different. The application of thin capitalisation rules setting out the safe harbour ratio are applied at the discretion of the Minister of Finance[78]. Discretion is usually prone to abuse by corrupt officials who may be motivated to allow higher debt to equity ratios. The effect of which reduces the tax due to the government. In Malawi safe harbour rules are applicable where the debt-to-equity ratio exceeds 3:1[79]. Like Malawi, Zimbabwe too applies similar safe harbour rules[80]. But the rules do not apply in relation to debt contracted through a government credit facility by a public entity as defined under the country's Public Entities Corporate Governance Act. In Zambia, the government has imposed a new thin capitalisation

76 V de Almeida, S Almeida and J L Heitor, Corporate Tax 2018, 14th edn [2018] ICLG, p.25
77 D Boffey, British sugar giant caught in global tax scandal, The Observer 9 Feb 2013
78 KPMG, Namibia: Thinking beyond border for Namibia [2021]
79 TPA Global, Malawi [2018] HJE Wenckebachweg, NL
80 The Tax Hub, Zimbabwe [2019]

limit on interest deductions for interest amounts exceeding 30% of earnings before interest, taxes, depreciation, and amortisation (EBITDA). However, there are no safe harbour rules[81].

In South Africa thin capitalisation is treated as a potential breach of the general arm's length standard. Its legislation does not separately address transfer pricing and thin capitalisation[82]. Thin capitalisation rules also apply in Mozambique. Where the indebtedness of a domestic taxpayer to a non-resident entity is twice the value of the equity shareholding, and a special relationship exists between the two parties, interest paid on debt exceeding 2:1 debt to equity ratio is not deductible in calculating taxable income[83]. Other SADC countries with thin capitalisation rules are; Botswana, where a deduction is not allowed for net interest exceeding 30% of EBITDA. This rule does not apply to banking or insurance companies (thereby creating opportunities for debt shifting)[84]; DRC, where thin capitalisation rules only apply to mining companies which must observe a debt-equity ratio of less than 3:1[85]; and Tanzania, where the debt-equity ratio should not exceed 7:3 the highest ratio in SADC[86]. While safe harbour rules to some extent protect against international debt shifting to occur, when these rules are subjected to ministerial discretion, such as the case in Namibia, then it provides room to manoeuvre finances illicitly across borders.

Importantly, almost all thin capitalisation rules intend to curb international debt shifting and are relevant for MNCs only. This is obvious for safe harbour type thin capitalisation rules directly limiting the tax-deductible level of internal debt, since internal debt, being a tax favoured substitute for equity, should play a meaningful role only in MNCs. Therefore, non-regulated internal debt shifting can be used as a money machine generating tax-arbitrage profits as long as there is positive taxable income. Consequently, most countries have implemented thin capitalization rules to curb tax driven debt financing that leads to interest deductions being excessive from the point of view of tax authorities, and to protect their corporate tax bases.

7. CONCLUSION AND RECOMMENDATIONS

SADC countries are running into debt more rapidly than they are building up savings. To mitigate against the fiscal drain that follows in servicing the debt, SADC governments reduce spending on welfare, economic and social goods. The fact that at least 5 of SADC countries' public debt is over 60% of their GDP creates an unstable financial condition which forces those with liquid capital to seek safe havens. It also puts the government in a position to restructure their debt servicing obligations through swap programs. The debt-to-equity swaps made available sometimes act as a fortress for foreign MNCs to seek out markets with weak regulatory structures through which to move their profits untaxed. Ndikumana and Boyce have referenced sufficient literature to support the claim that most of IMF lending to Africa has been fully absorbed by capital flight, subsidizing it under the euphemism of currency stabilisation. What is being stabilised is mainly the rate at which this flight capital is exchanged for hard currency.

The path leading to uneconomical indebtedness for SADC countries as well as the rest of Africa was opened with the Washington Consensus and structural adjustment programs (SAPs) that created pressure for African states to free capital movements (euphemised as economic reforms).

81 J A Jalasi and M Undi, Zambia. Corporate Tax Laws and Regulations [2021] ICLG
82 PwC, South Africa. Corporate – Group Taxation [2021]
83 Deloitte, Guide to fiscal information. Key economies in Africa: Mozambique [2019]
84 Deloitte, Guide to fiscal information. Key economies in Africa: Botswana [2019]
85 Deloitte, Guide to fiscal information. Key economies in Africa: DRC [2019]
86 Deloitte, Guide to fiscal information. Key economies in Africa: Tanzania [2019]

This led toward financial decontrols that cleared the way for the development of offshore havens. Financially sophisticated operators send their money offshore and then borrow it back with which to enter debt-to-equity swaps with indebted governments. They then pretend to pay back enough interest, insurance, and management fees to themselves to absorb their equity and render themselves free of taxes thereby fostering a system for debt related IFFs. This paper has discussed the debt-IFF interface in the context of SADC states. It has attributed SADC states indebtedness to their lack of economic agency within international economic markets and global financial institutions in which these states lack influence in suggesting borrowing terms. The potential of the AU, ECA and OSAA to lead transformative change on the continent and SADC states approach to borrowing is therefore fundamental to salvaging the economy and social welfare from stunting, particularly considering Covid-19 related fiscal corrosions. So how can this be done? How can SADC states counter debt related IFFs? Overall, the most significant aspect in preventing debt related IFFs is to manage the debt itself. Following this, the policy recommendations made next will support the African fiscal space and limit its erosion:

1. For Resource Backed Loans – the secrecy involved in their negotiation and signing must be restricted. Unfavourable terms especially where interest rates and management fees are concerned should be renegotiated downwards. Withholding tax should be applied on management fees and interest. Stricter laws that subject RBLs to transparency and accountability must be implemented and enforced and there must be parliamentary approval in the negotiation and final execution of RBLs.

2. For curbing the vulture fund menace – it would be ideal for the World Bank to buy back outstanding private and commercial debts from SADC countries so that at risk debts are taken out of the public domain. Laws on sovereign immunity against vulture activities must be implemented and profiteering from vulture acts must be declared illegal.

3. For debt-to-equity swaps – SADC countries and other African states should implement safe harbour rules and there should be restrictions placed on private creditors against selling or re-assigning sovereign debts without explicit approval of the indebted state.

4. In improving thin capitalisation rules – the removal of ministerial discretion should be prioritised and safe harbour rules liming the debt-to-equity ratio to 2:1 should be adopted.

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Paper 2.2. Overcoming Shrinking Fiscal Space and Fragility in Africa: Recapturing Ungoverned Social Spaces for Post-COVID-19 Recovery and Social Protection

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ABSTRACT

Most of Africa is characterised by poor service delivery, arising from shrinking fiscal space, and fragility. Shrinking fiscal space and fragility are often blamed on corruption, poor economic growth, and instability. This paper draws attention to a less known causal factor, which contributes significantly to shrinking fiscal space across Africa. Governments routinely cede sectors, or spaces, of the national economy to political clients for the extractive benefits of the latter. Under the control of non-state actors, such sectors become ungoverned social spaces where opaque rent extraction is organised, and the economy subjected to severe financial haemorrhage. To achieve post-COVID-19 recovery and social protection, governments need to recapture ungoverned social spaces and the tax revenue therefrom deployed for recovery and social protection. The paper rests on secondary data and qualitative analysis, drawing lessons from the case of the National Union of Road Transport Workers (NURTW).

Keywords: Fiscal Space, Fragility, NURTW, Nigeria, Africa

1. INTRODUCTION: FISCAL SPACE, FRAGILITY AND THE SDGS

Fiscal space refers to concrete policy actions for enhancing domestic resource mobilisation, as well as the reforms germane to securing the enabling environment for the policy actions to be effective (Roy and Heuty 2007). Domestic financing is, thus, central to public expenditures and economic sustainability. Domestic revenue mobilisation enables internal generation of revenues through expansion of the revenue base (IMF 2018). A key explanation for challenges in fiscal space improvement relates to misuse and poor prioritization of the mobilised funds (Rogoff, 2021).

Although there is no generally accepted definition of fragility, fragility, fiscal space, and conflict are closely related. The OECD (2016) describes fragility as the combination of exposure to risk and limited coping capacity of the state or communities to manage, absorb or mitigate the risks. It can result in violence, breakdown of institutions and humanitarian crises. State fragility exists where the society is fractured, the economy mismanaged, and social service delivery so weak that the social contract between the state and its people has been undermined or has broken down altogether' (The African Capacity Building Foundation, 2011:42). As the state becomes fragmented, institutions of democratic governance crumble, and low-intensity or large-scale violence eventually ensues (ibid).

Sub-Sahara Africa has the largest number of fragile states (Gnangnon and Brun, 2020). Failure to manage fiscal space contributes to state fragility, which in turn leads to conflicts (Delechat et al 2018). Conflicts undermine economic growth, resulting in fragility and impairment of state's capacity to mobilise adequate revenues to finance service delivery (Beall, Goodfellow, and Rodgers, 2011). Inability to expand the fiscal space leads to fragility, which hinders achievement of the UN Sustainable Development Goals (SDGs). Zeigermann (2020) argues that African countries have failed to manage their fiscal space efficiently and effectively as a result of misuse of funds. By failing to manage its fiscal space, a country's efforts to achieve the SDGs becomes fruitless (Barroy et al 2018).

Some governments utilise all possible options to expand their fiscal space, but others do not. The former have succeeded in mobilising significant resources for public investments in times of economic hardships (Matthew and Karunanethy, 2017). By utilizing every possible means to enlarge fiscal space, some countries 'have achieved a virtuous circle of sustained growth which, in turn, generates further resources' (Matthew and Karunanethy, 2017:2). It is not a fait acompli that fiscal space is shrinking; what matters is whether all possible options are explored to turn the tide.

1.1. FISCAL SPACE AND INTIMATIONS OF FRAGILITY IN NIGERIA

Governments' inability to sustain spending on essential services poses significant challenges for achievement of the sustainable development goals (SDGs), including the conflict prevention agenda. Service delivery is critical to everyday life in Africa. The SDGs articulate people's basic needs, including access to nutrition, clean water and sanitation, safe housing, affordable energy, health care and education. Everyday millions of people live without these basic needs.

Poor economic growth arising from less friendly international economic order and domestic political crises have made it increasingly difficult for the state to raise revenues needed for sustainable development. The resulting shrinking fiscal space ensures the whittling down of government spending on key services including social protection in Africa. Shrinking fiscal space, or state's inability to provide social services, exposes the state to risks associated with breakdown of the social contract, lack of trust in social institutions, and conflict.

But that is just one side of the story; shrinking fiscal space is also a function of severe financial haemorrhage in 'ungoverned social spaces'. For instance, Odesola (2022) argues that over 123 billion Naira ($295,850,547) accrue annually to the National Union of Road Transport Workers (NURTW) in Lagos state, for which there is little accountability. The negative impact of dwindling foreign exchange earnings on social spending can be mitigated if such financial leakages in ungoverned spaces are plugged.

Ungoverned spaces have been conceived largely in terms of geography, as places or locations, usually borderlands, mountainous regions and inaccessible terrains, characterised by absent government, and where non state actors dominate. We extend the concept beyond geography to include spaces right under our noses; social sectors, including health, education, transport, public utilities service, among others. Any of these sectors can be described as ungoverned when aspects of a sector are abandoned by the government, or deliberately ceded, partially or fully, to non-state actors, with express approval to extract rents from the sector largely for the benefit of the latter. Such non-state actors are recognised in society as entrepreneurs of violence. They are feared by ordinary citizens and actively courted by politicians. As their popularity grows they enlist boys who do their bidding unquestioningly. Government patronage further fuels their popularity and status.

Variously described as 'area' boys, cultists, touts, or local 'strongmen', they are employed as private bodyguards to politicians. They may be deployed by political actors to subvert the electoral process, intimidate voters, or inflict physical injury on political opponents to the advantage of their benefactor. The most prominent of these actors at any point in time are those courted by the political party in power. For example, the popular MC Cuomo, Chairman of NURTW in Lagos state, is a strong supporter of the ruling All Progressives Congress (APC). As such, he is a valued confidant of the leadership of the party, including the state governor. Occasionally, these favoured 'boys' fall out with their patrons and become uncontrollable. In such instances, to forestall possible breakdown of law and order, governments may choose to undermine the renegade by empowering the leader of a competing group, or buy quiescence and peace by allocating them juicy patronage.

The literature recognises that in parts of the developing world, public authority is often exercised through 'informal' institutions (DFID 2010). Local youth vigilante groups provide protection for property and persons and dispense instant justice. Informal bodies collect money needed to bribe public service providers (ibid). Traditional leaders negotiate access to government funds in return for political support and electoral votes. While informal structures may complement structures of formal governance, significant financial haemorrhages in ungoverned social spaces portends grave consequences for socioeconomic wellbeing and political stability in Africa.

2. METHODOLOGY

The methodology approach of this paper is basically qualitative in nature. The idea is to understand why some social sectors are ungoverned and ceded to non-state actors, and implications for state's capacity to cope with or manage shrinking fiscal space while avoiding fragility. Therefore, data collection tools used included unstructured interviews with key actors including serving or retired state officials, political party leaders, serving and retired operators in the transport sector, key non-state actors, and published materials, and observation.

3. CONCEPTUALISING UNGOVERNED SPACES

The concept of 'ungoverned spaces' is controversial because there is no general agreement on what it means, what its features are and whether it exists at all (Igboin 2021). The Foreign and Commonwealth Office (2014: 1) argues 'the very existence of truly "ungoverned space" is questionable.' It criticised the idea of ungoverned space for being state-centric, ignoring existence of other forms of authority, and assuming that such spaces are high risk spaces for violence (Foreign and Commonwealth Office 2014: 1–2).

The idea of ungoverned space points to 'spaces of contested governance and mis-governance' (Clark and Mansour 2013: 2). For the authors, ungoverned spaces are actually places where governance does not exists or existing governance has been liquidated, and they are now being governed by alternative authorities. They argue for a reconceptualisation of ungoverned space as space voluntarily ceded (mis-governance) and space that is not voluntarily ceded (contested) given that there are no absolutely ungoverned spaces.

Since governance is pivotal to space ownership, the fundamental questions to ask should be: 'who is governing, how are they governing, and what are the consequences of this mode of governance?' (Clark and Mansour 2013: 3) This does not obviate the contest, for, as they hold:

In the case of spaces of contested governance, this core problem—how the space is governed and by whom—takes on added significance. By definition, in such areas it is frequently unclear who is governing; often, even when the identity of the dominant actor is established, the manner in which governance is being implemented and its consequences remain opaque (Clark and Mansour 2013: 3).

According to Clark and Mansour, contested spaces are 'safe havens' for non-state actors that have come to occupy them. Djugumanov and Pankovski (2013: 9) succinctly define 'safe haven' as a 'space for operational activity,' spaces where non-state actors can galvanise and mobilise forces for expansionist purposes. From there, they 'are able to establish themselves, consolidate, plan, organise, fundraise, recruit, train, and operate' (Clark and Mansour 2013: 3).

The idea of ungoverned spaces is synonymous with physical space, but sometimes used in connection with cyberspace. It is hardly extended to social spaces. We argue that the idea of space extends beyond physical space and includes any conceived sphere of human activity. Whether physical, cyber or social, the question is whether such space is governed. Social spaces share some of the characteristics of physical space. For instance, social spaces can be ceded and contested, and provide safe haven for some actors to prosper and establish themselves as influential actors in society.

Igboin (2021) argues 'since the state does not voluntarily cede its space, the idea of mis-governance readily explains the reason for contested governance.' The state may not cede any part of its territory because it bodes on sovereignty and national prestige. Social spaces, however, have little to do with sovereignty or prestige. It becomes easy for the state to voluntarily cede certain social spaces to members or supporters of the ruling party. This is less a case of mis-governance than political calculation. Cession of the social space performs some political functions for the state; it enables it to settle and retain supporters who are critical to the ruling party's electoral victory at the polls. At the same time, the practice facilitates the beneficiary's desire for economic empowerment. Financial empowerment makes the beneficiary more influential politically, paving the way to access political office or appointment or become a local political godfather.

Ungoverned space may be likened to state capture. State capture refers to 'efforts of firms to shape the laws, policies, and regulations of the state to their own advantage by providing illicit private gains to public officials' (Hellman & Kaufmann, 2001:1). There are three schools of thought on state capture (Dassah, 2018). The neo-liberal, neo-institutional economics and Marxists. For neo-liberals, state capture occurs because policymakers are inherently corrupt and use state power for rent allocation and patronage (Robison & Hadiz, 2004:4). New institutional economists value intervention of state institutions to address market failure and are opposed to neo-liberals. State capture occurs when institutions are weak or not independent enough to enforce rules (Dassah, 2018).

Capture can occur in two ways; lobby and private sector groups who manipulate policy in order to increase their share of national income (Haggard, 1985), or policymakers and rent seekers groups as having the common aim of extracting as much as they can from society (Bardhan, 2001).

Marxists believe the state is controlled by a dominant group, class or coalition, and that it serves the interests of the groups, classes or coalitions. In effect, the state is permanently captured (Srouji 2005).

According to Edwards (2017), the classical definition of state capture refers to the way formal procedures (such as laws and social norms) and government bureaucracy are influenced by private actors and firms to shape state policies and laws in their favour. State capture seeks to influence the creation of legislation that protects and promotes influential private interests. Although similar, the deep state subvert elected officials in the name of the national interest. The deep state represents 'a political interplay between the unacknowledged or unrecognised factions inside and outside regular government' who are working together to direct state policies in their favour (Gingeras, 2011).

In this respect, deep state can be seen to be similar to state capture, with the distinction being the purpose for which the collusion takes place. The deep state refers to the situation where agencies of the state collude with businesses and criminal networks to undermine the work of elected political officials with regard to implementation of official policy (Scott, 2015). The deep state is usually portrayed as 'dishonourable individuals subverting a virtuous state for their private ambitions' (Grandin, 2017). But this is not always the case; sometimes the elements of a deep state take to subversion as a matter of national interest. The political objectives of those involved is underlined by their belief that they are protecting national security and national interests (Gingeras, 2010).

The idea of state capture and deep state does not adequately account for situations where actors become captors of social spaces without having to influence policy or legislation in their favour. The rules of the game remain the same, and no attempt is made to influence processes of legislation or policy making in favour of the captors. Similarly, the actors do not have to collude or band together with bureaucrats, the military or police. Yet, they are influential and untouchable. They are not advancing or protecting national interests, but securing their own private interests. They are, however, hidden and unaccountable to the electorate. Unlike the deep state thesis, they are not out to pursue some agenda in the national interest even if it subverts the incumbent government. They are not interested in government ideology and programmes.

4. KEY RISKS AND OPPORTUNITIES FOR AFRICA'S FISCAL SPACE

Both the International Monetary Fund and the World Bank (2016) describe domestic resources as the 'largest untapped source of financing to fund national development plans'. A 2016 McKinsey report estimates that 'Africa's total tax opportunity is between $415 billion and $620 billion annually. Tax collection could increase by between $120 billion and $300 billion annually by 2025, provided that governments are able to overcome several structural challenges, including high levels of informality in business, fraud, non-payment, late payment and tax avoidance.' (Mo Foundation, 2018: 86).

Shrinking fiscal space has been blamed on weak institutions, which undermine domestic revenue mobilisation and governments' ability to harness sufficient financing for development needs. Thus, it has been argued that there was a need to support African countries to boost their fiscal space by strengthening their capacity to mobilise domestic resources for post-pandemic recovery.

The focus on weak institutions exonerates the government of responsibility for the shrinking fiscal space too easily. Weakness was not the original condition of institutions of domestic revenue mobilisation. Such institutions became weak over time primarily as a result of deliberate policies that made political sense, but which had disastrous economic outcomes. Institutions for taxation became weak because government had alternative sources of income, which were far easier and less problematic to collect than tax.

Colonial institution of taxation arguably was far from being weak because it effectively collected taxes. Institutions of taxation in the old Western region of Nigeria were far from weak because they successfully mobilised revenues domestically for spectacular public service delivery. Onset of institutional weaknesses can be traced to the shift to reliance on oil rents rather than taxation. Similarly, politically motivated tax concessions granted to corporate bodies and clients made it difficult to mobilise domestic revenue effectively. The excellent revenue mobilisation by the Federal Inland Revenue Service (FIRS), and the Lagos state government are sterling examples of what can be achieved where there is a political will.

As a result of over-reliance on humongous rents from abundant natural resources, governments began to treat sources of taxation as rents or patronage to be distributed to party faithfuls or clients. The history of tax collection in Nigeria is replete with the practice of hiring favoured clients to collect taxes on behalf of government. Such clients exact juicy patronage for the services provided. There is no mechanism for tracking and ascertaining how much was collected in tax and how much was remitted to the national coffers.

At other times, government could parcel out given social spaces or economic sectors to party loyalists or supporters for purposes of rent extraction. Such loyalists are given express but informal and undocumented permission to collect taxes from actors who operate within the given spaces. This category of clients is not required to remit anything to the government. The rent constitute payment for ongoing services, or previous services, delivered to government. The opaque and informal partnership cement the political obligation between the two; clients rally around and support the government in power and the latter ensures uninterrupted flow of patronage in return. In the desperate bid to seize or retain political power, incumbent and opposition political parties actively court the support of non-state actors in return for juicy niche of ungoverned havens.

The control of non-state actors over sectors such as taxation and transportation promotes undemocratic culture where people are unaccountable downwardly and upwardly. It breeds a generation of citizens who rely on and use opaque and unaccountable means to achieve their goals. The opulence, popularity and power of such non-state actors signal to others in society, especially where poverty and unemployment are high, that brute force pays. The poor and unemployed can easily become the pool from which foot soldiers are recruited.

5. CASE STUDY: NURTW

They wear the nation's green-white-green flag as uniform. They have their own army, arms and ammunition. Their constitution is superior to the laws of the land. They are state-backed bandits. They're a clan of killers. They're the National Union of Road Transport Workers (Odesola, 2022).

The leadership of the National Union of Road Transport Workers (NURTW) controls the road transport sector in Nigeria. The NURTW is characterised by violence and its members are often used by political godfathers to violently subvert the electoral wish of the people. The leaders of NURTW become so fabulously wealthy that they shape decisions about who occupies certain political positions in society. In effect, some elected political leaders are beholden to powerful leaders of the sector. While such leaders increasingly accumulate wealth, the state's revenues dwindle and its capacity to provide basic social services deteriorate.

The NURTW controls thousands of motor parks across the country. Every driver is required to pay a certain amount of money to leadership of the parks daily in order to operate from any park. The burden of the daily payment is passed on to the passengers in higher fares. Vehicle drivers who decide to pick passengers by the roadside rather than from the park are routinely apprehended by members of the NURTW and fined severely. Monies collected daily from motor parks across the country are shared among the national, state and local leadership.

Interviews with drivers suggest that certain state actors, including the police, are 'settled'. There is no accountability to any government agency or the general public in terms of how much is extracted from the sector daily, and how it is expended. What is clear, however, is that such monies are never deployed to repair damaged roads, modernise and make motor parks user-friendly, or remitted to the state. The fact that the NURTW continues to extract humongous amount of money daily in public glare without recourse to the state seems to support the claim that the government is a beneficiary of the activities of the NURTW in two ways; it receives its own share of the rent extracted, and it retains the unalloyed support of the union, especially in times of electioneering.

Revenues derived from opaque and unaccountable spaces can contribute to meaningful development if collected openly by state officials for the public good. While ceding sectors to non-state actors might provide short-term political gains to state leaders, in the long run, such action works against the capacity to build strong institutions for service delivery (SDG). Carving a social sector for unaccountable extraction enriches a few at the expense of the majority, worsening horizontal inequalities and abridging the rights of citizens. We can no longer afford business as usual if we are to achieve post-COVID-19 recovery and increasing fiscal space in Africa.

6. POLICY AREAS AND RECOMMENDATIONS

1. There is a need to promote emergence of civil society groups concerned specifically with public awareness and advocacy aimed at promoting transparency and accountability in ungoverned social spaces. The groups should be empowered to effectively demand and promote transparency and accountability in social sectors.

2. Transparency and accountability in social sectors' governance should be developed and promoted by bringing ungoverned social spaces under public governance enabled by law. NGOs, development partners and donor agencies should draw attention to the opaque nature and financial haemorrhage characteristic of ungoverned public sectors, and nudge governments to promote transparency and accountability in the sectors. International governance regime, similar to Blood Diamond, and EITI, focused on reclaiming ungoverned social spaces and making revenues from such spaces work for the common good should be promoted.

3. Reclaiming ungoverned social spaces and redirecting revenues extracted from such spaces for the public good is a public policy matter. There is a need to incentivise government to demonstrate good faith in achieving the SDGs by initiating policy that block financial haemorrhages in ungoverned spaces. Existing ungoverned social spaces should be inventoried and a government agency established to manage resources extracted from the social spaces.

4. Just as there is a threat of sanctions against politicians who promote electoral fraud and violence, sanctions of the threat of sanctions should be stipulated for political parties or political leaders who cede the commonwealth to non-state actors in order to curry the support of the latter in a desperate bid to get elected or retain political office.

5. Empirical study of how much is extracted from ungoverned social spaces annually and what happens to such rents, should be funded by donors. The emerging data will provide a basis to enlighten government on why domestic revenue mobilisation is critical to overcoming shrinking fiscal space and achievement of the SDGs. Similarly, such data could help persuade government to enact necessary policies aimed at reclaiming ungoverned spaces.

6. There is a need to develop the capacity of civil society groups, journalists and academics to trace and expose rents mechanisms in ungoverned social spaces, advocate and lobby for transparency and accountability as well as policy changes relating to domestic revenue mobilisation. There is a need for capacity building on the part of tax officials and officials of an agency to superintend revenues from ungoverned social spaces.

7. Evidence suggests that by utilising all possible options to expand fiscal space, some governments have succeeded in mobilising significant resources for public service delivery under difficult economic conditions. Therefore, government officials should be empowered and incentivised to explore all possible options for expanding the fiscal space. A strategy to overcome official lethargy and get government to explore all options to expand the fiscal space is to make external loans and development aid conditional on evidence of growing fiscal space, emanating specifically from recapture of ungoverned social spaces.

8. A major cause of shrinking fiscal space is misuse of mobilised revenue. An agency independent of, but funded by, government should be established to exercise oversight over funds derived from ungoverned social spaces and ensure that such funds are deployed towards target development projects.

7. CONCLUSION

Shrinking fiscal space resulting from slow economic growth and declining revenue has whittled down spending on social services in Africa, reflecting fragility. Shrinking fiscal space also results from severe financial haemorrhage in 'ungoverned spaces'. The impact of dwindling revenue base can be mitigated if financial leakages in ungoverned spaces are plugged.

Vast locally available sources of domestic funding of social development have hardly been explored. Instead, shrinking fiscal space has been blamed on weak institutions, leading to the argument that there was a need to strengthen state's capacity to mobilise domestic resources. The focus on weak institutions exonerates the government of responsibility for the shrinking fiscal space too easily. While strengthening weak institutions make sense, it is important to address the deliberate actions that contribute to limited fiscal space.

Revenues derived from opaque and unaccountable spaces can contribute to meaningful development if collected openly by the state. While ceding sectors to non-state actors might provide short-term political gains, it contracts the fiscal space and, in the long run, undermines state's capacity to build strong institutions for service delivery. Carving a social sector for unaccountable extraction enriches a few at the expense of the majority, worsening horizontal inequalities and abridging the rights of citizens.

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Paper 2.3. Land and Property Tax Reform in Puntland and Somaliland: Exploring the Connection Between Revenue Optimization and Service Delivery

LENNART FLECK, BALQESA SHEIKH, ABDISHAKOUR SAID, JEAN DU PLESSIS

This paper was not finalized and is not fully ready for publication because the authors are still on the field gathering data to complete the analysis and strengthen the paper. However, during the Conference a presentation on key preliminary findings of the paper was made by Lennart Fleck. Below is a summary of the presentation.

SUMMARY OF PRESENTATION

By 2030, up to two-thirds of the world's extreme poor (1 billion people) will live in countries characterized by fragility, conflict, and violence. Failure to address this 'fragility' will continue to have serious implications on human life in fragile states themselves and pose the risk of insecurity/conflict spillovers into neighboring countries. One promising approach that has emerged over the past few centuries as a way of overcoming the extremely complex task of building functional nation states in a context of fragility, is decentralization. Successful local governance in turn requires functional local financing mechanisms, therefore local revenue generation has been put forward as a method of funding service delivery, increasing the efficiency of public expenditure and restoring trust between local governments and their constituencies.

This paper sets out by more closely looking at the context of Puntland and Somaliland, both of which emerged very recently as new autonomous/independent states and both implemented decentralization reforms since the early 2000s in which significant revenue authority and capacity was provided to local governments, especially in land and property taxation reforms. The paper explores whether decentralization of revenue authority and associated capacity building lead to increases in local government revenue, and whether this increase in revenue leads to more effective public expenditure and improved service delivery.

In-depth analysis gives to the conclusion that while revenues increased as a result of the reforms, these have not yet led to clear and significant improvements in regard to service delivery. Possible explanations are that revenue increases did not require improvements in public expenditure, that public expenditure is not just a function of revenue increments, and that improved governance may often times not be a dominant regime survival strategy for local governments in fragile contexts. The paper concludes by providing policy recommendations and outlining areas of further research.

Actionable policy recommendations

The following are recommendations formulated during the Conference:

- To curb debt-related IFFs, governments in Africa shall subject resource-backed loans to the rules of fiscal transparency and accountability.
- To curb vulture activities, governments shall negotiate in the terms of their borrowing agreement that prohibit creditors from reselling the loans to a third party. The World Bank can buy back outstanding private debts from SADC countries to prevent vultures.
- The architecture of international borrowing needs to be fundamentally changed to allow African countries to borrow on their terms and structure repayment plans in local currency.
- Despite past global initiatives such as debt relief and cancellation programs (such as the HIPC and MRDI), many African countries have found themselves in debt distress once again. It is important to strengthen the debt management capacity of governments and do not rely solely on international support.
- Credit rating agencies can play an important role, as they determine African countries' ability to access funding on the international markets. There is a need to establish an Africa-based Credit Rating Agency under the auspices of the African Union and the African Development Bank to provide an objective assessment of African countries' creditworthiness which take into account the context of the region and economic fundamental.
- Taxation plays a fundamental role in state-building. In efforts of revenue decentralization, it is recommended to optimize the types of revenue that are devolved and focus on the ones that have a direct link to service provision.
- It is important to interrogate the nature of the taxation and the distribution of tax burden to ensure that taxation is progressive. It is also helpful to highlight the global context and to what extent they have impacted efforts at the national and local levels.
- Domestic resources represent the largest untapped source of financing for Africa. Vast locally available sources of funding have not been explored. Instead, shrinking fiscal space has been blamed on weak institutions, leading to the argument that there was a need to strengthen the state's capacity to mobilize domestic resources. The focus on weak institutions exonerates the government of responsibility for the shrinking fiscal space too easily.
- Domestic resource mobilization shall be the main driving force of Africa's long-term sustainable development and an important way for fragile states to emerge from cycles of instability.

Topic 3. Building Africa's Resilience to Shocks and Advancing Inclusive, Equitable and Peaceful Society in Africa

Paper 3.1. African Solution to Africa Problems: A Pathway to the Region's Recovery in a Post-Covid World

DR. OLAJUMOKE (JUMO) AYANDELE AND DR. YVAN YENDA ILUNGA

ABSTRACT

This paper assesses the security and policy implications of the COVID-19 pandemic on the stability and prosperity of Africa, identifying current and emerging trends, as well as opportunities for local, state and regional stakeholders in building a stable Africa in a post-COVID world. Drawing on a human security-based approach in framing pandemic responses, we address questions related to public health security and its impact on economic governance, civil and political rights, and institutional stability in the African region. We argue that in building a prosperous and stable post-COVID Africa, the region's recovery is dependent on the implementation of resilient frameworks that can simultaneously advance both human security and the demilitarization of political spaces. Our study concludes by providing an alternative framework that incorporates the prioritization of the informal economy, the promotion of strong regional political leadership, and increased investments in public health in advancing Africa's fiscal space in a post-pandemic world.

Keywords: COVID-19, human security, economic governance, informal economy, regional leadership, civil and political rights

1. INTRODUCTION

As the pandemic finishes its second complete year, Africa's response to the ongoing coronavirus crisis has created an environment where the core tenets of democracy have been shaken to its very core in many countries. While governments continue to adopt several measures to contain the spread of the virus, the region's political landscape has unfortunately become increasingly militarized, with democratic principles of state governance challenged in efforts to manage the economic and health impacts of the virus. In many African countries, undemocratic practices have included: political actors consolidating power by implementing government-adopted measures intended to either suppress dissent or deny opportunities for political participation as in the case of Uganda; unconstitutional extensions of term limits as in Somalia; and the interference of the military in state affairs, as demonstrated by an increasing number of military coups or attempted coups in countries like Mali, Burkina Faso, Guinea, and Sudan.

These practices, and COVID-related restrictions in the last two years, have further impacted the security landscape of the continent. Although instability and conflict in Africa was on the rise prior to the outbreak of COVID-19 in 2020 (IISS, 2021), government-adopted measures to contain the spread of the virus have heightened major structural inequalities and grievances that have driven conflict on the continent (Finn and Kobayashi, 2020, UNESCO, 2022).

Additionally, increased citizen frustration over the lack of social safety nets to cushion the direct and indirect effects of the pandemic, along with the United Nations and African Union's limited ability to carry out humanitarian operations in conflict-affected states, have provided opportunities for non-state armed groups to regroup and re-organize (UNCTED, 2021).

In Somalia and the Lake Chad region, militant jihadist groups were able to exploit gaps in governance to mobilize foot soldiers and additionally provided basic social services in areas under their control, thus building their legitimacy.

Nevertheless, the pandemic presents an opportunity for Africa to revisit the strengths of its current institutions. The continent seems to have weathered the pandemic relatively well so far, accounting for 4.2 percent of COVID-19 deaths globally (Worldometers, 2022). However, Africa's dependency on the international community for pandemic-relief packages and vaccines constitutes a wakeup call for African leaders to build more economically-independent countries. With the region reporting a low vaccination rate of just over 10 percent, the continent is at a stage where it must rebuild from within in addressing the direct and indirect impacts of the pandemic. Indeed, in navigating a post-COVID world, this study contends that Africa's recovery will be dependent on resilient frameworks that can simultaneously advance both human security and economic development in building a prosperous and stable post-COVID Africa.

Consequently, this paper provides an overview of current and emerging trends as well as opportunities for local, state, and regional stakeholders in advancing Africa's fiscal space in a post-pandemic world. More specifically, our study centers the role of African stakeholders and their institutions in (i) prioritizing the informal economy, (ii) integrating local stakeholders in regional development and security frameworks, and (iii) increasing investments in public health institutions. This holistic approach, we posit, will enable African state leaders to be more resilient in overcoming fragility and conflict, as they work towards addressing vulnerabilities from the coronavirus pandemic and future health crisis.

The strength of this study lies in its interdisciplinary approach in analyzing and proposing policy approaches and recommendations that can help support the continent's strategic priorities for long term stability and sustainability in a post-pandemic world. More specifically, our objective is to promote African-owned solutions that can advance the continent's post-COVID recovery and prosperity. The analysis of our paper therefore yields important insights that can inform scholarship and policy discourses on public health security, economic governance, and the design and implementation of sustainable development frameworks.

Our study's analysis is based upon the findings of the expert workshop, "African Wars in the 21st Century…," organized by this study's authors on 6 October 2021 at New York University (Ayandele and Ilunga, 2021). Furthermore, in our assessment of the implications of the COVID-19 pandemic on development, peace, and security in Africa, we draw on data from government reports, media articles, academic publications, white papers from regional and international agencies involved in peace, security, development, and humanitarian affairs, along with conflict and protest data from the Armed Conflict Location & Event Data Project (ACLED). Reports from official documents, newspaper articles, and academic and policy institutions were subjected to content analysis in order to obtain the required information on existing COVID-19 measures and their impact on economic governance, civil and political rights, and institutional stability in the African region. We also analyzed reported political violent incidents and demonstration events using ACLED data between January 2020 and December 2021, with the data in 2019 used as a baseline for our analysis in view of the date of the first reported case in Africa on 14 February 2020. This enabled us to extract insights on conflict trends and the continent's political landscape for the period in review, while also taking into account that instability and conflict in Africa was on the rise prior to the outbreak of the pandemic. Focusing on this narrow period allowed us to capture and identify the significant effects of the COVID-19 pandemic on peace and security across the region.

The rest of the paper is divided as follows. Section II presents an overview of the dynamics imposed by the pandemic on political spaces, peace and conflict, and the region's public health capabilities. In section III, we introduce an alternative framework that focuses on both human security and economic development in advancing Africa's fiscal space in a post-pandemic world. Section IV concludes with policy recommendations.

2. AFRICA'S POST-COVID LANDSCAPE: CURRENT AND EMERGING TRENDS

In our assessment of the dynamics imposed by the pandemic on institutions, communities, and governance across the region, we observe five major trends.

2.1. THE UNDEMOCRATIZATION OF POLITICAL SPACES

The first is the dilemma African governments face in choosing to either promote the right to vote or safeguard the right to health during a public health crisis. In many African countries, civil and political rights were restricted under the guise of containment measures, with state leaders deploying state security apparatuses to enforce COVID-19 restrictions, while simultaneously advancing their political agendas (Ayandele & Ilunga, 2021). While there were genuine reasons for many countries to postpone their elections in efforts to safeguard the health of their citizens, certain state leaders exploited the COVID-19 crisis, manipulating the political process by postponing elections, which exacerbated political violence. In Somalia, Kenya and Cameroon, alternate election dates and the postponement of referendums and elections in these countries undermined the effectiveness and legitimacy of the democratic process, and by extension, the credibility of incumbent state leaders (IFES, 2020).

Other countries like Burundi, on the other hand, conducted elections despite evidence of increased spikes in COVID-19 infection rates during the electoral cycle. Although the country had recorded only 60 confirmed cases of COVID-19 by the time election campaigns begun, health experts reported that the Burundi government underplayed the crisis, citing in surveys and interviews that the number of cases in the country was at least ten times higher than what was being reported to the media (New Humanitarian, 2020; HRW, 2020a; HRW, 2020b). As Ayandele et. al (2021) note, this decision to proceed with the May 2020 elections contributed to an electoral process that was characterized by a pervasive disregard for COVID-19 preventive protocols by both electoral contenders and electorates, which undermined the effectiveness and legitimacy of the democratic process in Burundi. Several international human rights observers have also reported that the government's decision to hold elections could have been a ploy to legitimize an election that would not be free and fair given the difficulties imposed by Burundi government officials on members of the opposition and electoral observers (Dahir, 2020; New Humanitarian, 2020).

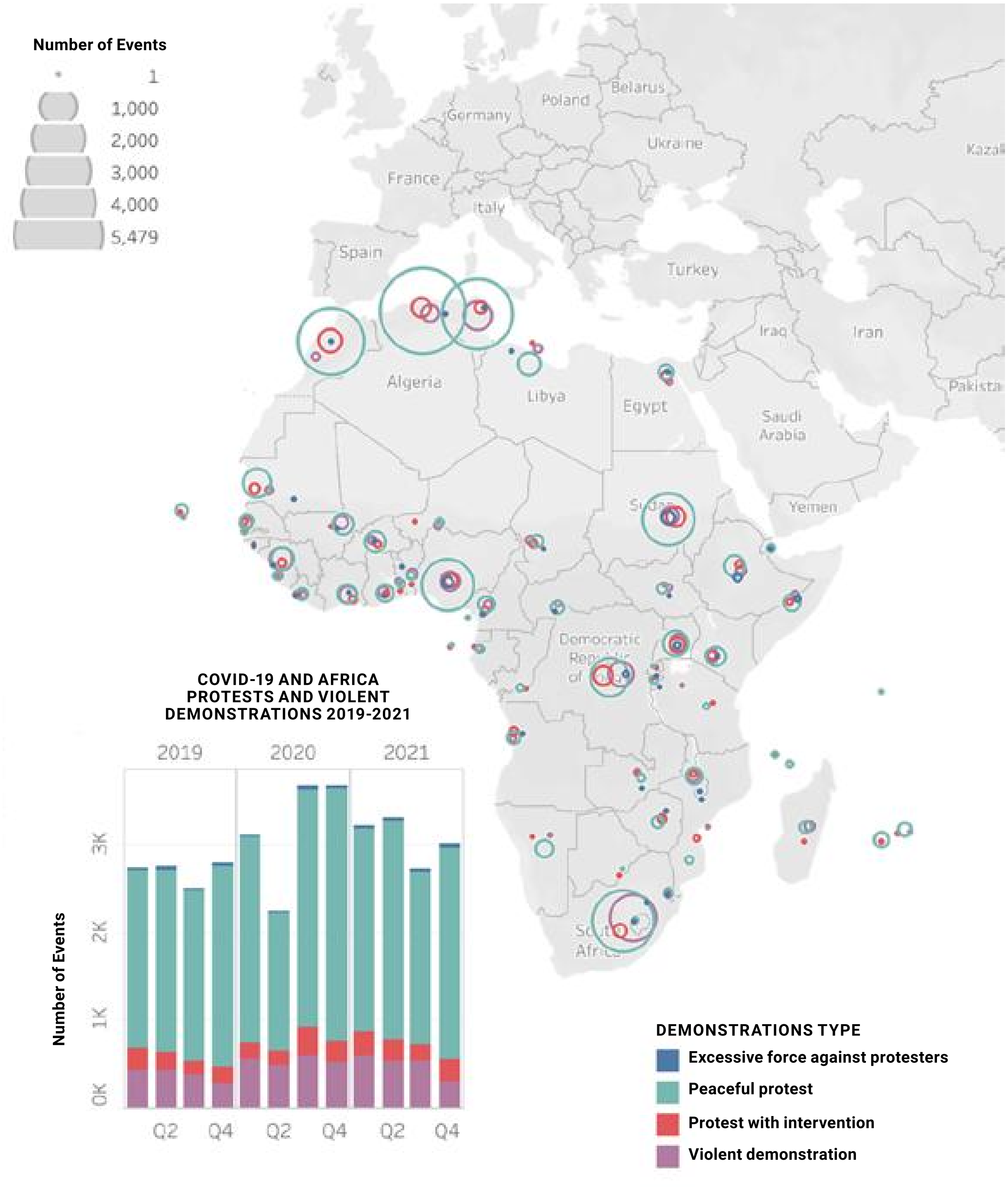
Elections that were conducted between 2020 and 2021 also varied in voter turnout and participation. While countries such as Zambia experienced high voter turnout, reports by Amnesty International of pervasive abuses by security apparatuses in enforcing COVID-19 measures contributed to low voter turnouts in countries like Benin (Amnesty, 2020). These examples demonstrate the dilemma in conducting elections during a public health crisis and how the pandemic affects pre-and post-election processes by undermining efforts to instill democratic practices such as elections. This is especially the case when elections are postponed without inclusive consultation with relevant stakeholders and when it is not clear whether the postponement is related to health risks, and not political advantage. For the 18 African countries set to head to the polls in 2022, the pandemic poses both direct and indirect threats to democracy, and if not addressed appropriately, could reverse the region's democratic gains.

2.2. SOCIAL SAFETY NETS AND THE INFORMAL ECONOMY

The continent is also experiencing an increasing trend of political and civil instability. Despite lockdown and containment measures disrupting business operations and the major sources of income for many workers employed by the informal sector, COVID-19 responses from several African governments failed to consider the consequences of their measures on informal workers. Assessments of the pandemic on the economy and labor market by economic policy experts, for example, highlight the pandemic's impact on the sector, comprising 85 percent of the African workforce (Ohnsorge and Yu, 2021; Kohnert, 2021; Ozili, 2020; FAO, 2020). Informal sector workers not only bore the brunt of COVID-19 lockdown measures, but were largely left behind by stimulus packages and social protection measures that governments provided. Without adequate social safety nets provided for this large segment of the population, the continent has experienced a sharp rise in unemployment and inflation rates, further exacerbating preexisting social and political vulnerabilities. Although countries such as Cote d'Ivoire and Senegal provided financial assistance and food distribution to vulnerable groups, adverse income shocks were hard for informal workers to weather, owing to their lower earnings, their lack of access to social insurance programs, and their limited savings (Ohnsorge and Yu, 2021).

The data in Figure 1 (see next page) illustrate the mapping of protests and violent demonstrations between 2019 and 2021. Widespread protests and violent demonstrations during the latter half

FIGURE 1: COVID-19 AND AFRICA PROTESTS AND VIOLENT DEMONSTRATIONS IN 2019-2021



Source: The Armed Conflict Location and Event Data Project of 2020 and most of 2021 when compared to 2019 over escalating food costs, high employment and underemployment rates, and increased police brutality in enforcing COVID-19 restrictions point to citizens' lack of trust in African institutions and their political leadership. Although as at the writing of this paper, the exact socio-economic impact of COVID-19 on the African informal economy was still unknown, the continued neglect of the informal sector by African state leaders and their international partners limited the ability of local stakeholders to implement cash transfer programs that could protect informal workers and firms in coping with the consequences of the pandemic.

2.3. THE MILITARIZATION OF POLITICS

The third trend relates to the pandemic's impact on African political space. Between 2020 and 2021, the continent experienced six successful military coups in Burkina Faso, Mali, Sudan, Guinea, and Chad, with Mali experiencing two successful coups in the span of less than a year. This increasing militarization of African political spaces in the above countries for many pro-democracy activists illuminated underlying grievances and the erosion of Western values that predates the COVID-19 crisis (Ayandele and Ilunga, 2021; Gyimah-Boadi, 2021; Campbell and Quinn, 2021). In Mali, for instance, popular support for the military junta has been linked to the country's deteriorating security situation, exacerbated by the absence of social safety nets to cushion the economic and health effects of the pandemic. Media reports also indicate that many citizens supported the military and the country's extended post-coup transitional plan for up to five years, believing that a military government was the only way for Mali to finally experience stability (VAO, 2022; Africanews, 2022; France 24, 2022).

This broad support for the military and the romanticization of coups unfortunately sets a dangerous precedent for the African region. In West Africa, military officials have found it profitable to be defiant to sanctions and measures imposed by regional bodies such as the AU and ECOWAS. These measures are intended to curb the political ambitions of would-be coup plotters. However, sanctions on the juntas that seized power in Mali and Guinea have done little to change their behavior, nor did they deter the latest coup in Burkina Faso. In fact, increased citizen support signaled to them and other ambitious military officers, as in the case of Guinea-Bissau, that there are limited repercussions to toppling sitting presidents. With citizens losing faith in national and regional leaders to provide human security, this increasing trend of military takeovers raises several questions regarding the credibility of African regional institutions and the commitment of its member states to comply with its protocols.

2.4. INCREASED MILITANT JIHADIST GROUP ACTIVITIES

Limitations on several civil society and international humanitarian partners programmatic interventions due to countries' border restrictions at the onset of the pandemic have also affected both regional and national security responses (UNCTED, 2021). This has resulted in armed groups and terrorist organizations being able to take advantage of the limited presence of government and international actors to regroup and build their legitimacy in areas under their control.

For example, ACLED data and reports from the Africa Centre for Strategic Studies highlight a 43 percent increase in violent events linked to militant jihadist groups in Africa in 2020 (ACSS, 2021). In 2021, the surge in militant jihadist group violence set a record of over 5,500 reported events, with the Sahel propelling a new record of extremist violence, recording a 70-percent increase in violent events linked to militant jihadist groups in the region (ACSS, 2022).

Security experts contend that this increased activity from African militant jihadist groups is indicative of the limited impact of the pandemic on terrorist activities in areas where the threat of violent extremism remains predominant (ACSS, 2022; UNCTED 2021). In the Sahel, Lake Chad and Horn of Africa regions, militant jihadist groups were willing to take on state security forces, as well as, employ innovative funding tactics that were crucial in building legitimacy among communities vulnerable to radicalization. The groups, for example, exploited pandemic-related changes in financial behaviors (increased digital onboarding and contactless transactions) to expand their influence and recruit foot soldiers (FATP, 2020). Country leaders and civil society representatives have also expressed concern at the use of proceeds from pandemic-related relief efforts for terrorism-financing purposes, especially the new opportunities that fundraising platforms presented for terrorist groups to abuse, under the guise of charitable giving (UNCTED, 2021).

Moreover, in the fight against extremist violence, the economic impact of the pandemic necessitated the diversion of existing resources from counterterrorism training and other capacity-building measures in some African states. This decrease in funding risks a retrenchment of the region's counterterrorism efforts that could create further challenges for Africa's stability and begs the question: how can African states maintain their political legitimacy in areas where violent groups are able to provide basic services to communities under their occupation?

2.5. PUBLIC HEALTH CAPABILITIES

Finally, regarding public health capabilities, Africa remains in a challenging position with vaccine equity and distribution. When compared to the health systems of developed countries, the healthcare systems in African countries remain fragile and highly vulnerable to adverse impacts, although African states appear to be the least affected by the coronavirus pandemic, accounting for the lowest number of confirmed cases, new cases, and total deaths as at the time of writing. Several factors have been suggested as potentially influencing the low burden of COVID-19 illness on the continent. Explanations have included the young age demographic of the region, potential cross-protection from previous exposure to circulating coronaviruses and other infectious diseases, the region's effective public health responses at the onset of the pandemic, as well as the high cost of COVID-19 antigen tests, which some researchers have argued may have resulted in an undercounting of deaths (Adams et.al, 2021; Ezeh, Silverman and Stranges, 2021; Cheng and Mutsaka, 2022).

There are also concerns that rising cases from new variants of the coronavirus could overwhelm the region's fragile health infrastructure. At the start of the pandemic, it was estimated that the region had two medical doctors per 10,000 persons, with 65 percent of healthcare expenses made from out-of-pocket expenditures (Ozili, 2020). Reports by the Institute of African Affairs at the German Institute for Global and Area Studies also indicate that the pandemic is threatening to push up to 58 million Africans into extreme poverty (Kohnert, 2021).

As such, the pandemic exposes the need for more robust, high-capacity, science, technology as well as innovative ecosystems. The region currently suffers from weak surveillance systems, the unavailability of Personal Protective Equipment (PPE), the emigration of skilled healthcare workers, and the lack of adequate facilities for the treatment of infected patients. These factors have also contributed to undermining the image and capacity of the African scientific community.

For example, the double standards that African states faced regarding the credibility of their vaccine certificates, and the immediate travel ban of some Southern and West African countries in November 2021 following the discovery and transparency in reporting the Omicron coronavirus variant, undermined the much-needed trust in encouraging vaccine uptake and public reporting in the region (APC, 2021). The region's limited local capacity to develop and manufacture the COVID-19 vaccine has also fostered continued dependency on the international community for vaccines (Signe, 2021). This dependency, unfortunately, disempowered countries in their ability to strategically and organically develop solutions anchored in local, cultural, and social dynamics (Ayandele & Ilunga, 2021).

With these trends explained, it is crucial that African leaders develop and implement strategies and policies that can capture the needs, capabilities, and ingenuity of the continent to move beyond the COVID-19 pandemic. In the following section, we identify and discuss the elements of a human security-based approach in framing pandemic responses.

3. A PATHWAY TO THE REGION'S RECOVERY: AN ALTERNATIVE FRAMEWORK

Whenever there is a public health crisis, the first priority in any country is to protect the health of its citizens. However, the narrative of African solutions to African issues in dealing with the pandemic unfortunately remains a rhetoric without substance given the continent's limited capacity, especially in the healthcare sector. For this reason, African countries should consider a human security-based approach directly linked to its regional economic development agenda in its post-pandemic recovery plan. Current responses, as the preceding section demonstrates, have lacked effectiveness, as ongoing militarized solutions to the social and economic consequences of the COVID-19 pandemic remain a strategic mismatch.

Our proposed framework, below, which combines the approach of human security and economic development presents the opportunity of advancing an inclusive and holistic strategic method for governmental and non-governmental stakeholders. Our study embraces the broad definition of human security as the "absence of insecurity and threats" (Tadjbakhsh and Chenoy, 2007, p 5). This working definition allows for an accurate and holistic understanding of Africa's security and political space, which is not only informed by the dynamics of national security, but also local factors (Meagher, 2012; Boggero, 2008). The use of human security as a policy framework additionally enables us to move away from assessing and interpreting security from a narrow institutional and nation-state centric perspective. By using a people-centered approach, we are able to assess the human development aspects of security, where the unit of analysis is the individual. Evaluating security from this lens informs our framework, helping us to identify threats as well as opportunities that offer solutions in achieving long-term stability.

In light of this expansion of the concept of security beyond the state to one where the referent object is the individual, we posit that understanding the local aspect of security is critical in addressing the socio-economic impacts of the coronavirus pandemic in Africa. Incorporating a human-security centered approach therefore allows scholars and policy practitioners (including ourselves) to expand the discussion and articulation of threats, fragility, and solutions to cultural and societal factors, and not just institutional ones. For instance, this perspective of security projects a clear understanding that the protection of civilians should primarily mean protecting individuals before protecting the state (UNDP, 1994; Ilunga & Ayandele, 2020). As such, the human security paradigm permits the customization of intervention mechanisms and frameworks to meet the needs of specific individuals, groups of people, and communities.

It is important to highlight that practicing and implementing the human security approach could mean working against the rigidity of the state-centered approach, which is tied to the traditional notion of sovereignty (Taylor, 2004). However, challenging this rigidity does not mean that this study discounts the relevance of the national security approach (Muguruza, 2007). State-centered security approaches are still a critical element to the stability and development of the continent. Yet, the pandemic has shown that certain countries' deteriorating security and political landscape is rooted in preexisting vulnerabilities and grievances that have been exacerbated by their governments' pandemic responses. This approach thus argues that states are providers of security for individuals in ideal conditions, while also acknowledging that sometimes states endanger the human security of their citizens (Hama, 2017). In instances when insecurity arises from the latter case, frameworks that incorporate the human security approach can complement state-centric national security policies and strategies in building local resiliency.

Second, we posit that economic decline and rising levels of poverty have continued to reinforce social inequality in many countries, worsening the region's social and political vulnerabilities, especially in the last two years. While there are still debates on the relationship between poverty and violent conflict in Africa at the macro-level (Okunlola and Okafor, 2022), scholars such as Tollefsen (2020) and Mamabolo (2015) examine the relationship between poverty and violence at the micro-level, and the policy implications of this relationship on peace and stability. As these scholars note, micro-level analysis is crucial in understanding how economic factors impact local conflicts and fragility. If one argues that poverty does not lead to conflict, it is irrevocable, however, not to consider that conflict at least creates a fertile ground for poverty to emerge. Hence, our framework incorporates economic development as an alternative path for security provision in Africa's post-COVID-19 recovery plan.

Economic development in this study goes beyond the narrow interpretation of development generally confined to infrastructure, job creation, and suitable economic policies capable of attracting foreign direct investment. Instead, our study views economic development within its multidimensionality, with people as enablers and beneficiaries, where citizens are empowered with the education and skills to plan and implement programs that ensure their communities' sustainability. Consequently, our proposed human security-based framework is based upon three pillars: (i) the prioritization of the informal economy, (ii) the promotion of strong political leadership at the continental and regional levels, and (iii) increased investments in public health. We contend that this alternative framework to development, peacebuilding, and security recovery is critical in today's climate of increasing regional and state instability. Many Africans are losing faith in regional leaders that they view as manipulating the democratic process and failing to alleviate poverty or contain violence. As such, in navigating a post-COVID world, the region's recovery will be dependent on resilient frameworks that can simultaneously advance both human security and economic development in demilitarizing political spaces and in building a prosperous and stable post-COVID Africa.

3.1. THE PRIORITIZATION OF THE INFORMAL ECONOMY

In many African countries, economic development and investments as a means for state transformation have generally been limited to the formal economic sector. This is exemplified by how private sector investors and international finance institutions view and evaluate economic measures, such as a country's Gross Domestic Product (GDP), as a major indicator of a state's current and future economic activity. Yet, indicators such as the Human Development Index and the Multidimensional Poverty Index highlight how countries with the same level of GDP per capita can end up with different human development outcomes (UNDP, 2021). These indices therefore emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, and not economic growth alone (ibid). They also allow for the incorporation of the informal sector in assessing the labor market, citizens' standard of living, and governments' provision of social safety nets.

Moreover, given that majority of African economic activities are within this sector, a continued failure to prioritize the informal sector in Africa's post-pandemic recovery plan may be detrimental to the region's long-term development. National pandemic responses so far have failed to connect the place and role of the informal market. And although the informal economy employs a large segment of the African population, the sector remains understudied and underexplored in mainstream economic development scholarship and policy. Researchers and practitioners have cited the unpredictability and unorganized nature of the sector as a major challenge in measuring informal activity at the local level and in also designing social protection programs that can provide temporary relief to informal workers (Srivastava, 2014). The informal sector is multidimensional and multi-sectoral, and as such, needs diversified approaches for every single sub-sector. However, the uniqueness of this sector in the African region, constitutes an opportunity for strategic innovation in the field of African security, and can offer opportunities that promote long-term sustainability and the transformation of African economies (Kelikume, 2021).

Contrary to the perspective of those belonging to the legalist school of thought, informal economic activity is not solely fueled by the desire to circumvent government taxes and regulation. The complex interplays and power geometries between the myriad of economic actors participating in the informal economy (the street vendor, the home-based worker, the sewing machinist, the day laborer) give some indication of the difficulty in establishing a common definition of the informal economy that can inform scholarship and policy assessments (Alderslade, Talmage and Freeman, 2006).

Nevertheless, advancing the understanding of the scale of the informal economy, its intricacies, and its contribution to African economies can aid researchers and policy practitioners to identify critical assets, technology and infrastructure of the sector that support community development activities including economic, housing and workforce development. Accurate measurements of a community's total economic activity, for example, can also attract new foreign direct investment and could assist African policy makers in identifying those barriers that prevent small and medium enterprises (SME) from entering the formal market in a post-COVID world (Alderslade, Talmage and Freeman, 2006). Furthermore, an accurate measure of the informal economy may aid African governments in identifying uncollected tax revenue that can be used to invest in key services, including social protection programs in cushioning the effects of the pandemic, which disproportionately impacted informal workers.

Support for the accurate capture of the informal economy could come in the form of regional commissioned surveys at various geographical levels to derive rich information on the size, determinants, and characteristics of the informal economy in the African region. The advantage of this approach, especially in the African context, is its direct method in collecting data, especially in countries where other forms of institutionalized and systemized data is less reliable (Alderslade, Talmage and Freeman, 2006). Nonetheless, one of the most commonly cited criticisms of surveys as a means of collecting data on the informal economy is that their success hinges greatly on the respondent's willingness to cooperate (Schneider, 2002). Additionally, surveys are often costly and time consuming and may only offer snapshot glimpses of informal economic activity, making it difficult for researchers and policy practitioners to extrapolate trends on its size and development (Ibid). Yet, in boosting African national economies, the availability of survey data on the informal sector proves useful in helping African leaders and their international partners to better understand the socioeconomic impacts of the pandemic on the sector for long-term economic planning.

Facilitating the progress in digitalization via the region's mobile economy would also allow informal participants to adapt their economic activities more quickly to future crises (Goldfajn and Yeyati 2021). The mobile industry in Africa continues to play a crucial role in the region's response to the pandemic. Mobile operators, for example, have implemented measures to support vulnerable populations and communities, offering discounts on mobile tariffs and providing digital content and tools to encourage individuals and firms to get online (GSMA, 2021). With 46 percent of the region's population subscribed to mobile services as at the end of 2020, it is expected that the mobile industry will remain the primary source of the region's economic growth. Strong investor confidence and consumer interest in digital platforms, for instance, point to a digital-centric future, with mobile devices at the center of innovative solutions. This provides government officials with the opportunity to leverage mobile technology to identify gaps in social protection programs, integrating online channels from various mobile sources to understand where informal workers and firms need support the most before the next crisis (CGAP 2020).

The prioritization of the informal economy in this alternative framework thus reinforces the need for flexibility, innovation, and locally driven strategies for Africa's economic transformation in a post-COVID world. Current tendencies to only invest in national institutions and the formal economy has limited the design and implementation of initiatives and programs that can boost local economies, and by extension, the informal sector. In navigating a post-pandemic world, concerted effort is needed to better align investments in priority economic sectors in both formal and informal sectors. Such an approach will assist researchers and practitioners to investigate the informal economy's relationship to the formal economy not as distinct economic activities, but as a unified one in advancing Africa's fiscal space.

3.2. STRONG LEADERSHIP FROM AFRICAN REGIONAL ORGANIZATIONS

Equally important is the need for strong leadership from African regional organizations in demilitarizing political spaces and in promoting the integration of local stakeholders in regional security frameworks. It is expected that the African Union will continue to be a vital instrument in coordinating the region's political activities and in maintaining its relevance as a Pan-African organization that promotes the ideology of an independent Africa.

However, the regional body's multiple objectives that sometimes contradict, have encouraged member states to pursue their own individual interests (Akokpari, 2004). Furthermore, because the AU's intention is not to be punitive for the sake of it when its rules are broken, the body sometimes has failed to show actionable leadership beyond the Pan-African ideology that guides its Charter. The region's increasing number of military coups or attempted coups since the onset of the pandemic demonstrates the fragility of the regional organization's political leadership within the continent. It also exposed the AU and other regional bodies' inconsistency to various types of unconstitutional regime changes.

For example, reactions from the AU and the Economic Community of West African States (ECOWAS) were decisive when it came to unconstitutional regime changes involving the overthrow of elected government officials by the military. Yet, when it came to unconstitutional regime changes involving incumbents that refused to relinquish power by amending the constitution, there were few repercussions for those leaders (Striebinger, 2016: Alozieuwa, 2012). This lack of action contributed to situations where African countries were led by presidents who lacked legitimacy. The case of Guinea is illustrative of this phenomenon. Media reports indicate that former President Alpha Conde became increasingly unpopular when he pushed a constitutional referendum, backed by Russia, that allowed him to seek a controversial third term in October 2020 (Ross, 2021; France24, 2020; Macdonald, 2020). However, on this issue involving Conde's constitutional coup to extend his term in office, the AU and ECOWAS were conspicuously mute. As such, the reaction of the regional bodies to impose sanctions on Guinea following the military coup in September 2021, for many African peace and security experts, reflected of a legitimacy crisis that they concluded impeded the ability of regional political leadership to enforce democratic values that promoted good governance (Ayandele and Ilunga, 2021; Höije, 2021; Maiangwa, 2021).

In demilitarizing Africa's political spaces, it is therefore imperative that the continent's regional leadership demonstrate decisive actions in all cases of unconstitutional regime changes, including illegitimate measures to extend the terms of incumbents, in line with the objectives of the 2007 African Charter on Democracy, Elections and Governance. Cases like Guinea, Mali, and Sudan illustrate that the continent still struggles with the political ambition of certain military leaders. Hence, a strong commitment from the AU to enhance democratic instruments as part of the continental plan for stability is a necessity for the region's prosperity in a post-COVID world.

Additionally, the rise of militant jihadist group activities in the Sahel, Lake Chad, and Great Lakes regions demonstrates that it is dangerous for member states and the AU leaderships to view conflict, declining civic participation, unconstitutional changes in government, and deteriorating socio-economic conditions as isolated country issues. These factors have regional consequences that affect economic development, stability, and local resiliency. Hence, regional and continental strategies and leadership must be coordinated, broadly defined, and timely implemented in building trust between local communities and state actors. For example, the virtual transition of meetings and conferences in response to the pandemic has fostered increased collaboration between civil society actors and global networks consisting of scholars, state actors, as well as regional and international government institutions. This has promoted community-driven approaches that are sensitive to local nuances and the grievances of marginalized groups (Ayandele & Ilunga, 2021). In Africa's post-pandemic recovery, the continued use of collaborative remote platforms needs to be encouraged in building a stable and prosperous region. Such remote platforms would foster opportunities for shared knowledge, which could inform the design of early detection and response systems, as well as local accountability mechanisms in sustaining civil and political liberties.

3.3. INCREASED INVESTMENT IN PUBLIC HEALTH

The pandemic has shown how vulnerabilities in healthcare systems can have profound implications for health, economic growth, trust in governments, and social cohesion. The challenges faced by many African countries in containing the spread of the virus and in increasing vaccination rates further demonstrates the need for strong health policies and increased investments in public health systems that are inclusive and complementary. Although the levels of provision of healthcare and public health services differs from one country to another, proper investment in the health system built upon local capacity remains crucial in ensuring the continent's resiliency in a post-pandemic world. Such investments would have a multiplier effect on women (who make up majority of the healthcare workers), and on education, the economy, employment rates, and the region's stabilization. The policy framework for improved health capacity does already exist for the African region, but it is the concerted continental effort in implementing its commitments that has been lacking. For instance, the 2001 Abuja Declaration is one way to set the scene for promoting and investing in resilient health care systems.

Additionally, in strengthening the capacity of Africa's public health sector, where recovery is central to community development, the involvement of religious leaders at both community and national levels can complement African governments' efforts to address the pandemic (Ayandele and Ilunga, 2021). Religious leaders remain active stakeholders in peacebuilding, community recovery, and the dissemination of information. As such, in the region's post-pandemic recovery plan, African regional leaders should leverage the networks and community-organizing capabilities of religious leaders and their faith-based organizations (FBOs). During the Ebola outbreak in West Africa, for example, FBOs played a critical role in Sierra Leone and Liberia's coordinated responses. Religious leaders in increasing congregational awareness of preventative measures spread sensitization messages, ensured the tracking down of escapee contacts, reported suspect cases, promoted hand-washing and social distancing measures, and encouraged community members to cooperate with healthcare workers (CAFOD, 2015). Cases, such as the Central African Republic and Nigeria, also highlight how faith-based organizations and their leaders have played a crucial role in changing public perceptions of COVID-19 and a willingness to take the vaccine. In Nigeria, FBOs promoted precautionary measures, suspended gatherings, and donated medical equipment, relief materials, and funding to the government's public health response and measures (Ayandele, Okafor and Oyedele, 2021).

Nevertheless, Nigeria like many other countries, are increasingly facing the challenge of combatting erroneous beliefs around the use of effective vaccines against coronavirus. From doubts about the efficiency of vaccines, to the assumed negative agenda of Western powers in advancing their agenda to destabilize the continent, Africa is facing a misinformation war that needs to be countered in protecting public health. The strengthening of local community institutions and formal structures that streamline public and official information may therefore prove vital in promoting vaccine-related information and in managing societal responses to curb the spread of misinformation.

4. CONCLUSION

The pandemic demonstrates that threats to security are evolving and that African wars are not just confined to armed conflict. And yet, at the same time, it also presents an opportunity for African leaders to revisit the strengths of its current institutions. For us scholars and policymakers, this means that there is a need to approach African wars, peace, and security through an inclusive and holistic framework. One cannot talk about stability without economic development; economic development without addressing health insecurities; and health insecurities without taking into consideration its impact on political and civil liberties. These issues all influence the effectiveness of governing institutions.

This paper discussed the effect of the coronavirus pandemic on African countries and suggested opportunities for reform. The findings of the study reveal that the foundations of democratic stability in Africa are being dismantled. This dismantling was because of the increasing militarization of politics and the extreme coercive measures adopted by African governments in response to the coronavirus pandemic. Although the continent appears to be the least affected by the virus, with the lowest number of confirmed cases, new cases, and total deaths, the pandemic exposed the healthcare shortfalls and appalling levels of readiness and preparedness of African public health systems. The pandemic also exposed the legitimate deficit faced by African regional leaders and their organizations in implementing measures that addressed the socio-economic impact of the pandemic and the root causes of political instability and coups in many African countries.

The implication of this paper's findings is two-fold. First, this study reveals that efforts in addressing evolving threats to security on the continent will require innovation and collaboration across multiple levels of society in thinking, practice, and in the design of policies and programs. Second, the coronavirus outbreak demonstrates that partnerships between local, national and regional stakeholders are crucial in promoting good governance and in strengthening participatory democratic processes that can combat the complexities of African security threats.

As such, this study's proposed framework posits that policymakers and government officials should adopt a human security-centered approach that places individuals at the center of their actions and protection mechanisms. This means developing policies that can not only identify grievances, but ones that can also strengthen local strategies for long-term security and economic recovery. This governance model, we contend, is crucial to the long-term stability and development of the continent, where local communities would feel ownership of the process.

For example, in promoting democratic governance and practices during elections, local and regional stakeholders can learn from the South African and Mauritius cases. During the 2019 election in South Africa, election officers, the elderly, and the invalid were allowed to vote in advance of the general population. There was also a provision for people to apply for a vote at home permit, and in the case of Mauritius, provisions for proxy voting which African electoral commissions may choose to employ during the election periods. While it is important to acknowledge that African countries have different systems and administrative cultures, these systems of voting could be tailored to ensure staggered voting, containing the risk and pressure of coronavirus transmission on election day (Ayandele et. al, 2021). Such innovative approaches that allow for COVID-19 safety measures, while also maintaining the constitutional obligation to organize free and fair elections may help in upholding the region's democratic gains during and after the pandemic.

Regional leadership can also play a role in mitigating the risks of undemocratic practices and in reversing the increasing militarization of political spaces by imposing sanctions and measures in all cases of unconstitutional regime changes, including illegitimate measures to extend the terms of incumbents. Although reactions from the AU and ECOWAS have generally been decisive regarding unconstitutional regime changes involving the overthrow of elected government officials by the military, it is important that regional institutions and their leadership be viewed as impartial in enforcing the 2007 African Charter on Democracy, Elections and Governance in its efforts to promote democratic practices and good governance across the region.

Additionally, African policymakers can directly intervene in the informal sector by commissioning African research institutions to conduct cross-national surveys and analysis with local government authorities on the size of the informal credit market.

Knowing this information might help African leaders and development partners to leverage the data on existing informal arrangements like thrift collection agencies and Rotating Savings and Credit Associations in the design of social protection programs and the provision of low interest rates to informal workers and firms. Such incentives could prove crucial in improving public funding lines and the sector's much-needed access to credit facilities that promote cross-border trade via regional economic frameworks like the African Continental Free Trade Agreement. State leaders can also encourage more investments in the informal sector by expanding the region's telecommunications infrastructure using existing continent digital policy frameworks such as the Malabo Convention to enhance the region's integration of mobile financing with the banking system. Such efforts would allow for investments in priority economic sectors in both formal and informal sectors in advancing the region's fiscal space.

It is also essential that African countries develop robust counter terrorism strategies that go beyond improving the operational and tactical capabilities of troops. The pandemic has shown that there is a need to improve the capability of African financial institutions to address pandemic-related changes in financial behaviors that have been exploited by militant jihadist groups. The African Union and other subregional bodies could take the lead on this by implementing the recommendations of the Financial Action Task Force (FATF) in strengthening the anti-money laundering and counter-terrorist financing systems of affected countries. Moreover, in light of the dynamic nature of terrorist activities and transnational insecurity facing many African countries, the AU Secretariat could organize and facilitate virtual quarterly forums with national stakeholders, development partners, and civil society, including community leaders, in designing early detection and response systems.

Regional warning mechanisms such as the ECOWAS' Early Warning and Response Network (ECOWARN) have proven effective in collecting and analyzing conflict and the political activity of their member states in real time. Yet, current challenges in operationalizing regional early warning systems across the continent have included the duplication of projects without taking into account the cultural, social, and economic realities of sub-regions, competition between state security actors and local vigilante groups in protecting communities, and the non-prioritization of human rights education in the design of early detection systems (Ayandele & Ilunga, 2021). These virtual forums would provide a platform for security and peace practitioners to cooperate and learn from local community leaders in designing and tailoring early detection and response systems to specific security contexts. Virtual forums could also focus on security assessments, trend identification, capacity building, and the development of continental strategic priorities that can foster trust between local communities and state actors.

On health aspects, the move to empower the Africa CDC as an independent institution remains key in improving the image and capacity of the African scientific community. For instance, during the onset of the pandemic, the African CDC played an important role in coordinating the collection and tracking of coronavirus data regionally. Additionally, the body facilitated the setup of wholesale digital markets that allowed for collective bargaining power in purchasing PPEs. Yet, the region's low vaccination rate and issues related to the short-shelf life of donated vaccines call for the strengthening of public health supply chains. As such, African policymakers in their efforts to connect national health agencies in each country's vaccination drive should strengthen the capacity of the African CDC by collaborating with the private sector. Such collaborations, given the shrinking fiscal space of many African economies following the pandemic, may at least be able to address the gaps in the logistics and supply chain system, especially in cold-chain refrigeration to extend the shelf life of vaccines.

Furthermore, a rollout strategy that can address the challenges around the delivery of the vaccines to local communities is crucial in building the region's resiliency in a post-COVID world. Cote d'Ivoire is one example that African policymakers can learn from. When the country started its vaccination drive, centers equipped to vaccinate 300 individuals a day were struggling to inoculate 20 a day. Then government officials adopted innovate means to overcome this challenge, by deploying mobile clinics and medical buses that travelled to the busiest areas to vaccinate people, although at a significant cost. Today, Cote d'Ivoire has fixed or mobile vaccination centers placed in over half of the country, and nearly all are operating close to capacity. Such innovative approaches that enlisted the support of social media influencers as well as religious and community leaders to promote a nationwide awareness-raising campaign in increasing the number of people vaccinated, may be replicated across the region in the short-term using the 2001 Abuja Declaration as a framework to educate, mobilize, and vaccinate people with support from international partners and development agencies (Nyantakyi & Munemo, 2021).

Our proposed alternative framework therefore focuses on:

- The region's informal economy in the design and development of post-COVID relief packages in boosting national economies.

- Regional political leadership in demilitarizing political spaces and promoting the integration of local stakeholders in regional security frameworks.

- An engaged civil society in building trust between local communities and state actors. This promoted community-driven approach is crucial in designing and implementing policies and programs that will be sensitive to local nuances and the grievances of marginalized groups.

- The design and development of early warning tools and systems that can respond to health crises and the evolving local dynamics of conflicts in the region, and

- The development and support of community and national level institutions that are inclusive and complementary in increasing vaccination rates and in ensuring the continent's resiliency when facing future disaster.

The ongoing pandemic provides an opportunity for each African country to rethink the region's current security and stabilization mechanisms. Despite the challenges facing the region, the continent is at a stage where it can rebuild from within in successfully addressing the impacts of the pandemic. Future research may therefore examine specific country cases that can increase our understanding of effective regional and national policies applied during the COVID-19 period. Additionally, a cross-national study that assesses Africa's internal and external resource mobilization capacities during the COVID-19 pandemic may prove useful to researchers and policymakers. Nonetheless, the success of these innovative approaches that promote African-owned solutions, hinges on and will require political will at all levels of governments and a concerted effort from all stakeholders in advancing Africa's post-COVID recovery and prosperity.

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Paper 3.2. A real deal or an unworkable framework? Agenda 2063, SDG Goals and the Challenges of Development in 21st Century Africa

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ABSTRACT

Africa entered into the 21st century with huge unresolved developmental issues such as poverty, food insecurity, inter and intrastate conflicts, political and social fragmentation, massive unemployment, debt trap, to mention but a few. Thus, to resolve Africa's problems and achieve the unification of Africa on the pedestal of shared values and a common destiny, the AU Agenda 2063 framework was designed. An examination of the content of the AU 2063 Agenda showed that the provisions of Agenda 2063 are in tandem with the UN 2030 Sustainable Development Goals (SDG). A major concern however is if the framework will be achievable considering the bottlenecks currently facing the organisation. This study therefore critically examines the challenges militating against continental aspirations, especially in the current milieu that poses danger to the realization of its developmental goals in line with Agenda 2063 and the SDGs. It further interrogates why it is easier for African governments to implement "foreign" agendas rather than focusing on continental initiatives and building resilience and cooperation. It also assesses how best African leaders can tackle unemployment and debt trap in order to create space for prosperity for all? How can achieving full development and the creation of fiscal space reduce the incidence of insecurity in Africa? The paper further explores the difference between Agenda 2063 and past continental efforts and the danger in the current illicit financial flows in several African countries? Data for this study were collected using oral interviews, archival and secondary sources as well as non-participant observation. Data gathered was analyzed using content analysis. The paper provided an important opportunity to advance the understanding of the African question and how to reposition Agenda 2063 to address the challenges plaguing African countries in the 21st century.

Keywords: Agenda 2063, Pan-Africanism, conflict, SDGs, development

1. INTRODUCTION

One of the recognizable goals pursued by African leaders in the wake of independence was the pursuit of development through integration. The emergence of nationalist leaders who had successfully negotiated independence from the colonial masters had challenged Africans to take care of their destinies. It was reckoned that if independence was to be meaningful, the emphasis had to be on the economy (Nweke, 2007). Thus, it makes a lot of sense that Africa embraced the idea of integration and cooperation from the beginning. As Nyerere posited, “we need each other, we can help each other and we must come together to help each other” (Nyerere, 1987). But, even before the economy was the task of extricating colonized African countries from the grips of colonial administration; the need to defend the territorial integrity and sovereignty of new states in Africa and the need to promote the unity of African states; thus before regional economic groupings were formed, the Organisation of African Unity (OAU), which was established on 25 May 1963, was charged with the responsibility of dealing with the core issues of colonialism, white supremacist regime and apartheid in South Africa (Kawonishe, 2002). One of the merits of OAU before its transformation to the African Union (AU) was that it successfully ended colonialism in Africa. But the new states that were formed soon discovered that political freedom did not equate to economic freedom. Moreover, there were conflicts and inter-state wars fought between and among countries in Africa after independence which resulted mainly from boundary problems and tribal wars. So, although Africa became liberated; there were traps, landmines, and surprises awaiting the leaders of the newly independent countries.

History books are replete with how African peoples and communities engaged with one another leading to prosperity, peace and great inter-communal relations in several African kingdoms before the coming of the Europeans. Africa, with a landmass of about 30 million square km is easily as big as China, India, the US and most of Europe combined. Hirsh and Lopes (2020) citing UNECA (2016a) confirmed that “Africa’s blue economy is even bigger than its landmass, with maritime zones covering about 13 million square km”. Africa possesses abundant mineral resources, and a large population of over a billion people (Africa Development Bank, 2014). Former President of South Africa, Jacob Zuma (2015) argued that Africa is not a dark or some unknown continent especially taking into consideration the “impressive archeological, architectural, literary and artistic achievements from the great pyramids of Egypt and the Mapubungwe Caves of South Africa to the ancient libraries of Mali and the Church of Lalibella in Ethiopia…”. In 2013, Africa’s GDP was nearly double the global average and a lot of African countries economies grew by 7% or more (Sparks, D. L., 2016).

In the same vein, Africans patriotism cannot be in doubt especially as many Africans fought European invaders relentlessly until they were overpowered by superior firepower. A question that comes to mind here is why did Africans not manufacture weapons that could protect its people? Why did African forebears allow invaders to capture their land and change her history forever? The obvious answer lies in the advent of the industrial revolution in Europe and later but more fundamentally, the advent of capitalism, slave trade, colonialism, and then neo-colonialism. Even several years after independence, African countries have not been able to detach themselves from the stranglehold of external hands driving her economy which contributed in no small measure to the balkanization of her economy. But there were also internal factors that contributed to this sorry state.

In this study, we shall focus more on the internal and external initiatives that were meant to help Africa fulfill her aspirations and vision but which always ended up becoming unrealistic and unachievable. This study will examine the challenges militating against continental aspirations since the birth of Pan-Africanism to date and examine how to work on Agenda 2063 to address the challenges plaguing African countries in the 21st century. How will these challenges particularly illicit financial flows, debt trap, inter and intrastate conflicts, unemployment, illiteracy, etc challenge statehood and Africa's progress? This study represents an attempt to provoke further debate towards addressing the plethora of problems plaguing the African continent and to find a common "Pan-African Solution".

2. CONCEPTUAL CONSIDERATIONS, FRAGILE STATES AND FISCAL SPACE

The concept of fragility is a fluid concept. That is, it does not have a universally accepted definition. It has been interpreted to mean different things based on perception, ideological orientation and predilection of diverse authors. The concept could be interpreted from the economy, social, security and political angles. Mcloughlin (2012) refers to fragile states as "states incapable of assuring basic security, maintaining rule of law and justice or providing basic services and economic opportunities for their citizen" According to Olivier Nay (2013), the notion of "the fragile state was adopted by Western governments, actors and policy analysts to label and rank a number of developing countries facing violence and conflict; political instability, severe poverty and other threats to security and development". He mentioned that in this category are countries such as Somalia, Yemen, Haiti, Liberia, Chad, and several others. From review of the literature however, Olivier Nay (2013), discovered that the concept can be used to describe the "incapacities and dysfunctions of state institution, low government performance, inability to provide basic services to populations, extensive corruption, or refer more broadly to domestic concepts such as human rights abuses, social protests, existence of criminal gangs …" etc.

Essentially, fragility (Studia Diplomatica, 2009) designates "the ability of states to fulfill what are believed to be their core functions". The main elements of fragility were summarized by Studia Diplomatica (2009) as follows "…when it lacks the essential capacity, resources, legitimacy and or/ political will to provide basic services to the population, and face difficulties in imposing order and monopolizing the use of legitimate violence". Most importantly, Studia Diplomatica (2009) noted that the African Union rejected this concept on several grounds. First, it is an implied criminalization of African states; it is also a rationalization of Western interventionism and the third reason has to do with investment profiling. A categorization of African states as fragile could hamper aid and investment in the continent. The concept itself became popular after the 9/11 terrorist attack in America.

PARIS21 (2016) highlighted and categorized fragile situations into several indices: failure of the rule of law, state authority, illegitimate or non-inclusive state, weak economy, fragile society, and other issues such as regional conflict and environmental vulnerability. IMF (2017), stated further that inability to deliver security, bad economic management, public sector management and institutions attract fragile situations.

Fiscal space on the other hand can be defined as "room in a government's budget that allows it to provide resources for a desired purpose without jeopardizing the sustainability of its financial position or the stability of the economy" (Heller, 2005). According to Ostry, J. D., Ghosh, A.R., Kim, J.I. & Qureshi, (2010), it is the "difference between the current level of public debt and the debt limit implied by the country's historical record of fiscal adjustment". Perotti (2002) cited in International Labour Office (2011), conceptualized fiscal space as a restatement of two concepts: intertemporal government budget constraint and sustainability of public finance.

The take away from the above definitions is that the concept of fragility is essentially problematic to define. It has also been flawed especially in the light of new concepts such as resilient states in the policy discourse of international organisations. On the other hand, on the conceptual discussion on fiscal space, Heller's (2005) definition is quite apt. The major issue here is how Africa can muster more resources to address the infrastructural gap, unemployment, debt burden, etc without causing imbalance and instability to the economy.

3. FROM PAN-AFRICANISM TO AGENDA 2063

Adekeye Adebayo (2013) in his explosive contribution – The Curse of Berlin: Africa after the Cold War stated emphatically "…Africa remains the world's poorest and most conflict-ridden continent; about 70 percent of Africa's population lives below the poverty line; the continent is crippled by a $290 billion external debt; and Africa accounts for less than 2 per cent of world trade." Not much has changed since that publication, in fact, some aspects have gone worse. But this is not the dream of the founding fathers of Africa. One fact which is constant is that African leaders in the past and present always demonstrated love for the continent but sometimes, what they say and what they do are just contradictory.

McKay (1964) illustrated Pan-Africanism as a unifying idea to inspire the faith, confidence and energy to transform Africa. It is worthy to note that during the time pan-Africanism was conceived, it was Africa's reaction to centuries of domination and humiliation by the whites. The history of pan-Africanism can be divided into four phases; the period between 1900 and 1945, 1945-1958, 1958-1959 and from 1960 onwards. During the 1900 to 1945 period, it is instructive to note that the struggle for Africa's emancipation from the shackles of colonialism and for freedom was dominated by American and West Indian Negros. Henry Sylvester-Wiliams, William E. Burghardt Du Bois, American Negros, intellectuals from England and West Indies were key actors during this era. From 1945 to 1958, African nationalists decided to pursue the ideals of Pan-Africanism and were at the forefront in the fight for freedom. Kwame Nkrumah, Jomo Kenyatta, Peter Abrahams, and several other future African leaders played a role (McKay, 1964). The period between 1958 and 1959 saw President Nkrumah of Ghana emerge as the ideological leader of the movement for a Pan-African state but a year later, in 1960, many countries in Africa had been granted independence and some political intrigues played out ending Nkrumah's primacy and leading to the creation of rival Pan-African blocs. Although, the ultimate goal of Pan-Africanism is the formation of a Pan-African commonwealth or a United States of Africa; this was not to be as there emerged several regional federations.

The adoption of the Lagos Plan of Action for the Economic Development in Africa of 1980 was a signal to the world that African countries were desirous of pursuing the integration idea as a development tool. The Treaty of Abuja in 1991; the creation of the Organisation of African Unity and then the African Union; the proliferation of Regional Economic Communities in Africa including the Southern African Development Community (SADC); Economic Community of Central African States (ECCAS); Common Market for Eastern and Southern African (COMESA); and the Economic Community of West African States (ECOWAS), etc all revealed that regional integration in Africa is fast evolving. In 2001, the New Partnership for Africa's Development (NEPAD) was established. This takes into account a review of Africa's development experience and global trends and possible development scenarios (African Governance Report, Agenda 2063 & 2030: Is Africa on Track). It is worthy to note as well that NEPAD was a merger of the Millennium Partnership for Africa's Recovery (MPA) and Omega Plan. The African Peer Review Mechanism was also initiated in 2002 and formed in 2003 by the African Union in the framework of the implementation of NEPAD. NEPAD is a holistic, integrated sustainable development initiative for the economic and social revival of Africa involving a constructive partnership between Africa and the developed world (African Governance Report, 2019).

In 2013 as the OAU/AU 50th anniversary was being celebrated; African leaders sat down to chart a course for the next 50 years of the organization. They realized that the challenges of the new millennium and future will be markedly different from the last fifty years which OAU fought tooth and nail to deal with. The vision and aspirations agreed at the celebration was consolidated into a framework document to be known as Agenda 2063. This agenda is different from all the past initiatives because the civil society was widely consulted. In all, there evolved seven important pillars which emerged and were adopted at the AU level representing the Africa we want namely:

1. A prosperous Africa based on inclusive growth and sustainable development

2. An integrated continent, politically united, based on the ideals of Pan-Africanism and the vision of Africa's Renaissance

3. An Africa of good governance, democracy, respect for human rights, justice and rule of law

4. A peaceful and secure Africa;

5. An Africa with strong cultural identity, common heritage, values and ethics

6. An Africa where development is people-driven, relying particularly on the potential of women and youth;

7. An Africa that is a strong, united and influential global player and partner.

The vision states that by 2063, there would be "an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the international arena" (African Union, 2020).

4. CHALLENGES MILITATING AGAINST CONTINENTAL ASPIRATIONS

One of the major reasons often cited as to why the OAU failed and an examination on why the AU is struggling now is the lack of political will to implement charters and agreements already entered into. The OAU was unable to address the autocratic and despotic governments in various parts of Africa leading to instability and insecurity that affected development. While African leaders were always enthusiastic at signing treaties and making pledges, the ability to convince their people back home and take bold, emphatic steps at enforcing the provisions and regulations already signed and agreed to be are always non-existent. Most of them failed to even pass the leadership test which is to ensure that an objective is carried out. The issue of sovereignty is also there as well as a lack of funds and infrastructure to support objectives. However, apart from all these, there are critical problems the continent has to deal with if it were to achieve its vision in the nearest future. Some of them are discussed as follows:

5. CONFLICT, INSURGENCY AND VIOLENT EXTREMISM

Since independence, African countries have known little or no peace. The Nigerian Civil War 1976-1970, civil conflicts in Uganda, Sudan, Congo DRC, Ethiopia and Eritrea, Liberian civil war, Sierra Leone, the Arab Spring, Cameroon, and so on are some of the theaters of intense conflict in Africa. As a result of this, monies which should have been used for purposes of development are diverted for the pursuit of war and its attendant consequences including deaths, humanitarian problems, displacement and poverty. Unfortunately, while the whole world is trying to deal with the global corona virus pandemic, Africa is still trying to combat insurgency and violent extremism in several parts of the continent. The Silencing the Guns initiative, which was designed to end all wars, civil conflicts, gender-based violence, violent conflicts and prevent genocide in the continent by 2020 has now become a mirage. The year 2020 which was supposed to be a landmark year has turned to a year of upsurge in violence all over the continent.

In West Africa and the Sahel, insurgents and extremists continue to cause havoc especially Boko Haram in the Lake Chad Basin. Mali, Niger, Nigeria, Cameroon, particularly have continued to be at the receiving end. In 2019, 750,000 people were displaced by violence in Burkina Faso and about 21600 incidents of armed conflict occurred the same year in Africa (ISS, 2020). Institute of Security Studies (ISS) Report in December (2021) noted that Libya, South Sudan, the Central African Republic, Northern Mozambique, Ethiopia, Cameroon's North-west and south west are six African conflict hotbeds to watch in 2022. This analysis has been true so far. As long as this trend continues, achieving Agenda 2063 and SDG will remain a mirage. In the Sahel, more than 1.7 million people altogether have been displaced including 170,000 refugees and 1.5 million internally displaced (Egbejule, 2019). And due to poor choices in wealth distribution, governance, income, and resources allocation, a good number of youths in the sub-region are taking up arms and are joining or forming gangs that are terrorizing the state either through the lucrative kidnapping industry, banditry and or participating in insurgency and violent extremism. In Nigeria, criminal gangs are springing up in North-west and north-central. Government kinetic approaches have failed to work and even more noticeable is poor state presence especially in the northern parts of the country.

6. ILLICIT FINANCIAL FLOWS AND CORRUPTION

Illicit Financial Flows (IFF) according to Signe, Snow, and Madden (2020) is the "illegal movement of money or capital from one country to another …and this includes hiding the proceeds of crime, channeling funds towards criminal destinations, evading tariffs and taxes through misreporting of transactions". IFF from Africa to other parts of the world is one major reason why several African countries remain underdeveloped. This is because the money that was supposed to be used to champion development and advancement, reduce inequality and tackle poverty, is being frittered away by leaders entrusted with the responsibility of protecting state revenue. For a long time, corruption and illegal money transfers to offshore accounts were the order of the day in several African countries and the people have paid heavily for this recklessness. According to Igbatayo (2019), citing Global Financial Integrity (2010), IFF from Africa between 1970 and 2008 exceeded US$1 trillion. He mentioned further that Nigeria leads other African economies with outflows put at US $217.7 billion. Signe, Snow, and Madden (2020) stated that "since 1980, an estimated $1.3 trillion has left sub-Saharan Africa in the form of IFF posing a central challenge to development financing". Igwe (2021) identified several ways through which IFF occurs including "through abusive transfer pricing, over invoicing, tax evasion, use of offshore financial banking centers, the smuggling of cash and illicit goods and money laundering…" Autocratic rulers from Africa specifically plundered the resources of their people while the people languish in abject poverty. The Late General Sanni Abacha's loot was exceptionally outrageous. Nwabughiogu (2020), citing Transparency International reported the loot recovered from Abacha after his death in 1998 as follows:

1. Under General Abdusalami Abubakar: $ 750 million

2. Under President Olusegun Obasanjo: $ 2 billion

3. Under President Goodluck Jonathan: $227 million

4. Under incumbent President Muhammadu Buhari: $630 million

The money was stashed away in various countries including the United Kingdom, United States, Switzerland, and Liechtenstein. Before Abacha died in 1998, Nigeria became a pariah state. In 2021, about 4.2 million pounds was recovered from James Ibori, a former governor of Delta State, Nigeria by the UK government. But not only the leaders were stealing, their disciples, individuals working especially in the extractive and mining industries were engaged in various fraudulent exercises leading to the transfer of huge amounts of money outside the country. Fuel exporters according to Signe, Snow and Madden (2020), were responsible for nearly half of the illicit financial flows from Africa between 1970 and 2008. Curbing illicit financial flows can help African countries "mobilize capital to finance the achievement of the Sustainable Goals and other national priorities" (UNCTAD, 2020). UNCTAD estimates that IFF contributes over $88.6 billion of capital flight every year from Africa. Thus, money that should have been useful for educational development, development of the health sector, social protection, revival of the economy especially in the light of COVID-19 pandemic is frittered away shamelessly. Mobutu Sese Seko, Jean Bokassa, Gnassingbe Eyadema, Ferdinand Marcos, President Houphonet Boigny, Sanni Abacha lead the hall of fame.

Transparency International (2022), showed in its 2021 Corruption Perceptions Index (CPI) report that 80 per cent of countries in Africa have made little to no progress in the last ten years in fighting corruption in their countries. The CPI ranks 180 countries and territories by their perceived levels of public corruption on a scale of zero (highly corrupt) to 100 (very clean). Africa ranked 33 on average, the lowest in the world. This shall be presented in a table 1 (see next page).

Table 1 shows two things. First, the countries that were poorly ranked are some of the countries having serious security and conflict issues whereas the countries that have significantly improved in their CPI are making steady progress in their economy and are relatively peaceful. These include countries like Seychelles, Senegal and Botswana. Although, Transparency International noted that Tanzania, Ethiopia, Angola, have moved up the CPI ladder, insecurity still persists in Ethiopia for instance in Central and Northern Ethiopia. Two, the TI report also revealed that 80 percent of countries in Africa have made little to no progress in the last ten years. Thus, to effectively address create some fiscal space in Africa, the issue of corruption must be addressed.

7. UNEMPLOYMENT

Unemployment, especially youth unemployment is a grave factor that if not addressed will make Agenda 2063 and SDGs so unrealistic. Africa is blessed with a smart, vibrant youth population with youth comprising more than a third (34.2 percent) of the population. Not only that, Africa is the only continent in the world today whose labour force is expanding (ILO, 2020). Unfortunately, close to 34 million people were unemployed in Africa in

TABLE 1: CORRUPTION PERCEPTION INDEX RANKING 2021

COUNTRY	CPI	COUNTRY	CPI
NIGERIA	24	ANGOLA	29
COMOROS	20	SENEGAL	43
NIGER	31	BOTSWANA	55
SOUTH SUDAN	11	SEYCHELLES	70
SOMALIA	13	EQUATORIAL GUINEA	17
LESOTHO	38	CAPE VERDE	58
MALI	29	ETHIOPIA	39
LIBERIA	29	TANZANIA	39
IVORY COAST	36		

Source: Transparency International, (2022) "2021 corruption perceptions index reveals a decade of stagnating corruption levels amid human rights abuses and democratic decline in sub-Saharan Africa".

2019, of this population, 12.2 million were youth aged between 15-24 years (ILO, 2020). In Nigeria, Africa's most populous nation, the unemployment rate for the fourth quarter of 2020 stood at 33.3% which is about 23.2 million people out of 70 million people who should be working in the country (Nwokoma, 2021). This was attributed to the poor state of the economy. This situation has led to some young people going into crime and participating in activities detrimental to the state. A detailed investigation at the composition of members of the terrorist organisations and extremists in Africa will reveal that most of them are young Africans who obviously lack employment opportunities and education. An idle hand, as the saying goes, is the devil's workshop.

8. DEBT PROBLEM

One of the most fundamental obstacles to poverty eradication in Africa countries today is the issue of debt overhang. The debt problem is fundamental, as evidenced by the huge monies that go to foreign creditors to service interests on the debt, rather than to the development of these economies. The overall development of African countries will remain a dream because these debts are becoming unsustainable making it a spoke in the wheel of progress. Funds, which should have gone into education, power supply, health, security, water supply, etc. all go to the foreign creditors to service interests on the debt. Professor Jeffery Sachs in the End of Poverty cited by Mutume (2005) as far back as 2005 stated that the greatest of third world countries problems is the foreign debt trap. If creditors do not write off debt, the highest debtor of any developing region will be forced to choose between – should it save its dying children or should it pay its debt? Debt levels in Africa soared in 2020 and 2021 especially as governments borrowed to fund stimulus packages to support businesses and homes during the COVID-19 lockdown. This was a problem before COVID-19, but COVID-19 exacerbated the problem. For instance, Heitzig, Ordu and Senbet (2021), reported that debt levels in 2020 "were 4.5 percent higher in Africa than projections. Benson (2021) reported in Business Insider that "as of 2021, the total external public debt in west Africa alone amounted to around 164 billion US dollars. Nigeria and Ghana recorded the highest levels of debt in the region at approximately 79.54 billion US dollars and 21.91 billion U.S. dollars, respectively." Table 2 shows some of the public debts of the countries in the region.

TABLE 2: PUBLIC DEBTS FOR SELECTED COUNTRIES AS JUNE 2021

COUNTRY	TOTAL PUBLIC DEBT ($)
NIGERIA	$79.5 BILLION
GHANA	$21.9 BILLION
IVORY COAST	$19.5 BILLION
SENEGAL	$13.7 BILLION
MALI	$5.1 BILLION
GUINEA	$4.8 BILLION
NIGER	$4.2 BILLION
BENIN	$3.8 BILLION
BURKINA FASO	$3.7 BILLION
CAPE VERDE	$1.9 BILLION
SIERRA LEONE	$1.8 BILLION
TOGO	$1.4 BILLION
LIBERIA	$1.3 BILLION
GAMBIA	$823 MILLION
GUINEA-BISSAU	$382 MILLION

Source: https://africa.businessinsider.com/local/markets/ghana-nigeria-and-ivory-coast-top-list-of-countries-with-highest-public-debt-stocks/qr8g80j, 20/01/2022

In spite of the debt forgiveness and cancellation in 2005 from the Paris Club creditor nations, it is intriguing that African countries have piled up another debt and are now crying for debt forgiveness. It is worrisome that some of the monies borrowed have ended up in private pockets and sometimes elephantine projects. As long as the debt issue is not sorted, it will be difficult for governments to push through the reforms necessary to promote economic activity and reduce poverty. Borrowing money is not essentially the problem as long as it is not spent on frivolities. Worse still, while the governments in African countries continue to borrow to finance development; the funds allocated for capital expenditure most of the times ended up in private pockets.

9. DUPLICATION OF REGIONAL ORGANIZATIONS

Although African leaders agreed to set up regional organisations based on geographical contiguity and economic interdependence which ultimately will lead to a United States of Africa, the proliferation of regional organisations in the continent is a threat to a common aspiration and one goal. For instance, in West Africa, there is duplication of integration efforts as most members of ECOWAS also belong to other integration organisations in the sub-region. For instance, Benin, Burkina Faso, Ivory Coast, Guinea Bissau, Mali, Senegal and Togo, all members of ECOWAS Community, are also members of UEMOA. Guinea Bissau belongs to the trio of ECOWAS, MRU and UEMOA. The problem is that this rivalry often undermines the process of ensuring proper integration among

TABLE 3: REGIONAL ORGANISATIONS MEMBERSHIPS OF THE DRC

AU-RECOGNISED REGIONAL ECONOMIC COMMUNITIES	OTHER ECONOMIC ORGANISA-TIONS	ENERGY BASED ORGANISA-TIONS	RIVER & LAKE ORGANISA-TIONS	PEACE AND SECURITY ORGANISA-TIONS	ENVIRONMENTAL ORGANISATIONS
AU	CEMAC	COMELEC	ABN, ALG	EASF	COMIFAC
COMESA	CEPGL	EAPP	LCBC	ICGLR	
CEN-SAD	GGC	ECOWAPP	CICOS	G5 SAHEL	
EAC	IOC	PEAC	LIMCOM		
ECCAS	MRU	SAPP	LTA		
ECOWAS	SACU		LVBC		
IGAD	UEMOA		NBI		
SADC			OKACOM		
UMA			OMVG, OMVS, ORASCOM, VBA TPTC, & ZAMCOM		

Source: The data was pulled from the information provided on page 22 of the article by Byiers & Miyandazi (2021), "Balancing Power and Consensus: Opportunities and Challenges for Increased African Integration.
The table shows the membership in which Democratic Republic of Congo belongs to

their member-states. Furthermore, UEMOA boasts an even better system and has a common currency (FCFA), a monetary union (WAEMU), a common external tariff and a common set of business laws as ECOWAS (Nwoke, 2005).

The analysis here is that memberships of organisations are not cheap. For instance, Congo DRC will pay annual levies to all these organisations. This is duplication of resources and loyalty to different agendas. It is instructive to note that some of the organisations depend solely on external financing.

10. OTHER OBSTACLES FACING THE CONTINENT IN REALIZING ITS DEVELOPMENT GOALS

Apart from the above, there are other important challenges weighing against achieving continental aspirations including lack of strong institutions in Africa. Matambo (2018), in his study on Africa Union's Method and Role in Ending Conflict and Establishing Peace in Africa (2018) submitted that "Africa's enduring problems are a consequence of the failure by the continent to establish effective institutions and governments that can transform Africa's valuable endowments into strategic and sustainable advantages..." Institutions in Africa are inherently weak and rely on governments for direction. As submitted by Ighobor (2020), quoting Amaoko stated thus: "Africa needs strong institutions to drive the integration agenda. You need the political will. We often think that politicians make declarations and adopt protocols and then everything falls in place. It is not so".

The same can also be said in the area of education. No African University is in the top 200 of best universities worldwide. According to Lawal (2017), in Africa, 41% of children of primary school age do not complete basic education while 87 per cent do not reach the minimum proficiency in reading. Illiteracy is a problem in Northern Nigeria today which probably explains why violence festers there more than anywhere else in Nigeria.

Other challenges include coping with the COVID-19 pandemic prevention and treatment as well as providing continuous stimulus packages for families that lost jobs and businesses. Also, Coup d'état is becoming fashionable once again especially in West Africa and this needs to be checked urgently. Climate Change, even though it is a global problem, its effects are already being felt in major African countries and often leading to conflict between farmers and herdsmen.

11. FOREIGN INFLUENCE IN AFRICAN POLITICS AND DEVELOPMENT

It is difficult to present Africa's developmental trajectory without mentioning the ignoble years of European colonialism and imperialism. While European countries continue to ignore calls for reparation, the slave trade formed the first great impact of the West on Africa. According to McKay (1964), citing Fage, J.D. in his introduction to the History of West Africa, "perhaps 15,000,000 to 20,000,000 slaves were landed in America between the sixteenth and seventeenth centuries and another 3,000,000 or 4,000,000 may have died in slave ships. Including those killed in slave raids and in other ways as a direct result of the slave trade, this appalling loss of manpower may have totaled as much as 40,000,000." Although many analysts have commented that the slave trade happened a long time ago and African countries should have moved past this, the truth is that not only did this event result in a distortion in politics, economics and lives of the people, It also led to the disruption of the indigenous African systems (Adebajo, 2013). The forceful conscription and evacuation of young and vibrant manpower from Africa at this period is certainly a reality of history and debasement of African values. But this intervention did not stop there. After the end of slave trade in the nineteenth century, there was a clamour for legitimate trade and then the European scramble to partition Africa into colonial empires.

In the same vein, there were also developmental frameworks put in place by the Global North such as the International Monetary Fund (IMF) and World Bank, World Trade Organisation (WTO), to assist African countries. These groupings came up with policies to help Africa including the Accelerated Development in Sub-Saharan Africa which recommended the Structural Adjustment Program in 1981 (Momoh, 2016). There were other frameworks developed as well, they include: Africa's Priority Programme for Economic Recovery and Development (APPER) in 1986, United Nations Programme for Africa's Economic Recovery and Development (UN-PAARED), the Africa Alternative Framework to Structural Adjustment Programme for Socio-economic Recovery and Transformation (AAF-SAP) in 1989, African Charter for Popular Participation in Development (ACPPD) in 1990; the United Nations New Agenda for the Development of Africa in the 1990's (UN –NADAF), Conference on Security Stability Development and Cooperation (CSSDC) in 1991 (Momoh, 2016) and so on. It is interesting to note that in spite of all these initiatives, little or no developments were noticed. Poverty, inequality, conflict, weak infrastructures, weak institutions, etc. remain the order of the day. This is so because Africa has no control whatsoever in these international institutions and at the end of the day, might is right. Africa has not been able to overcome the "economic legacy of resource dependency…", and an important example also was when the World Bank gave stringent conditionality, especially reduction of investment in tertiary education in Africa which contributed immensely to the drop in educational standards in several countries in Africa (Hirsh & Lopes, 2020).

Apart from the above, foreign involvement in African Affairs has long been noted. There were indications, albeit inconclusive, that most of the coups in Africa were externally financed. A case in point was the mercenaries intercepted on their way to Equatorial Guinea in 2004. In the same vein,

TABLE 4: ILLICIT FINANCIAL FLOWS OUT OF AFRICA, BY DESTINATION REGION (1980-2018)

DESTINATION REGION	IFFS (MILLIONS OF USD)	IFF (%OF BILATERAL TRADE)
East Asia & Pacific	387,256	16.5
Europe & Central Asia	360,517	11.1
Sub-Saharan Africa	181,869	10.3
North America	136,304	11.2
Middle-East & North Africa	123,680	20.7
Latin America & Caribbean	31,761	10.8
South Asia	8,599	1.2

Source: Signe, L. Sow, M. and Madden, P. (2020), "Illicit financial flows in Africa: Drivers, destinations and policy options", Africa Growth Initiative Policy Brief, Brookings, https://www.brookings.edu/wp-content/uploads/2020/02/Illicit-financial-flows-in-Africa.pdf, 20/01/2022

most of the looted funds are often domiciled in countries, mostly out of Africa. These countries keep the stolen funds for several years sometimes and return with no interest by the time such funds are repatriated. It becomes difficult to create fiscal space if destination countries for IFF are not joining Africa to combat this trend. The table 4 shows that the majority of IFF from Africa between 1980 and 2018 has been hosted in Europe, Central Asia or East Asia and pacific regions. There are also high volumes of intra-African illicit flows which requires governments in Africa to work together to tame.

It is quite interesting to note that while African Union was launching its Agenda 2063 vision, the global community through the United Nations was already initiating the successor to the Millennium Development Goals whose results were mixed. Most of the goals were not met so it developed Agenda 2030 for sustainable development. There are also similarities in the goals contained in Agenda 2063 and Agenda 2030.

12. INTERROGATING AGENDA 2063 AND SDG GOALS

According to Casazza (2015), Agenda 2063 and the 2030 Agenda broadly intersect in the areas of overall economic development, social development, environmental sustainability issues, and promotion of effective institutions but issues related to African renaissance, inequality, common heritage, self-reliance, values, ethics, etc. are not programs strongly enunciated by 2030 Agenda. A major challenge to the full realization of Agenda 2063 meanwhile is that even though it was called a people-driven agenda, it is interesting that the local people who are supposed to support these initiatives do not even know what Agenda 2063 is. The Ministerial Committee on the Implementation of Agenda 2063 (2017) reported that the AU has raised awareness on Agenda 2063 through its domestication mission to member states, regional economic groups, etc. However, the inability of the AU to pursue holistically the idea on Youth for Agenda 2063 to promote the Agenda in their countries is a serious setback for the organisation.

SDG goals is definitely more popular in suburbs and communities as for instance in Nigeria, ministries were set up to ensure the programs under SDG came to light. They operate in local health centers, local government councils, etc.

In other to facilitate speedy implementation of Agenda 2063 and to show African citizens that Agenda 2063 is on course, the organisation adopted the completion of 13 major projects in the first ten years of agenda 2063 namely:

1. Integrated high-speed train network
2. African commodity strategy
3. Continental free trade area (AfCFTA)
4. African passport and freedom of movement
5. Silencing the guns by 2020
6. Grand Inga Dam Project
7. Single African air transport market (SAATM)
8. Annual African economic dialogue platform
9. Establishment of African financial institutions:
    - African central bank
    - African investment bank
    - African monetary fund
    - Pan-African Stock Exchange
10. Pan-African E-Network
11. African Outer Space Strategy
12. African virtual and E-University
13. Great African Museum

Laudable motives but except for Continental free trade Area which has started, but whose impact is yet to be felt, others are still in limbo. Almost all member states in Africa have signed the AfCFTA agreement except Eritrea (Balino, 2021). However, only 35 of the AU member states have ratified the agreement. It is a long way to go but AfCFTA holds a lot of promise. Another issue is that the implementation, monitoring, and evaluation of Agenda 2063 are solely dependent on individual states. Indeed, Byiers & Miyandazi (2021) noted that "national politics still largely influence regional processes. Financial constraints and limited human resources have equally been a challenge to the actualization of the 2063 flagship projects.

The AU has strived to strengthen its institutional organogram to increase and promote oneness in the institution so that they would be able to speak with one voice. Based on Article 2(d) for instance, of the AU Constitutive Act, the AU since 2002 has served as a veritable platform for a common African voice on world issues and this is reflected in a number of joint positions taken by member states in the international arena (Byiers & Miyandazi, 2021). Also, to promote African interests, AU partnered with external organisations including the African Union (AU)-European Union (EU) partnership which perhaps is it's most historical of all; the China-Africa Cooperation Forum, the Africa-League of Arab States; the Africa-South America Cooperation Forum, the African Union Commission-United States of America High-Level Dialogue; the Africa-India Partnership; the Africa-Turkey Partnership; the Tokyo International Conference on African Development and the Africa-Korea Forum. These platforms have provided Africa the leeway to partner for purposes of the development of Africa. The more important question however is if these partnerships can move past the donor-client nature and power inequality and bring more development for Africa.

The attainment of Agenda 2063 and SDGs will depend crucially on mobilization of substantial financial resources. Even with all the support, widespread acceptance of SDGs in Africa, Africa still lags behind compared to the rest of the world. Agenda 2063 and Agenda 2030 should as a matter of necessity be popularized among the populace. Roesch and Rahmaty (2020) agreed with this when they submitted that "...Yet with a few exceptions, the 2030 agenda remains largely unknown at the local level." This is also the case with Agenda 2063.

13. CONCLUSION

There is no doubt that Africa has a long way to go to fulfill the aspirations of its people in the best way possible in the near future. A lot of Africans breaking new ground and doing excellently well are not in the continent but outside its shores. They were able to attain some of these feats because of their environment but such could be replicated in Africa. Some African countries are already showing that given true leadership, they can compare favorably with other nations of the world. But the onus lies in the leadership. African leaders must be proactive and forward thinking. Citizens must know that electing these types of leaders is non-negotiable if they are to move forward. If the same zeal that was shown by African leaders at the wake of independence, during the annexation of her land and during the struggle of Pan-Africanism can be shown again, then, there is hope for the future. No one can do it for Africa, except Africans. Africans cannot continue to live in self-denial. Agenda 2063 is possible if all hands are on deck.

14. RECOMMENDATIONS

1. Africa need to become more influential and visible in all multilateral and international institutions not just for the sake of seating there alone but to be involved in major decisions especially the ones affecting Africans and to secure better deals in trade negotiations, attraction of investments and debts restructuring. The era of going cap in hand to Europe and America should be over.

2. In light of the COVID -19 pandemic and the exigency occasioned by climate change, it is important that African leaders seek genuine partners who can help address targeted sectors and people in the society without endangering the continent's autonomy.

3. The youth in African should be strategically placed to benefit from the technological revolution opening doors of opportunities to young people all over the world. National and regional policies must target young people for inclusiveness in the political and social space. A certain quota could be agreed upon for the youths in the parliament and executive appointments. This will not only give them sense of belonging but also avail the countries in the region of fresh ideas. Also, the Youth for Agenda 2063 should be aggressively activated and pursued.

4. African leaders as a matter of necessity must provide clusters that will champion the popularization of Agenda 2063 from the regional to local levels. Agenda 2063 must be owned by the people for it to flourish.

5. Digitalization of the economy must be speedily worked at to drive socio-economic transformation, and opening up of opportunities for income generation for thousands, if not millions of the poor people in Africa. It is a tool that can help in implementing Agenda 2063 and 2030 Agenda

6. Silencing the guns and preventing incessant conflict can only be possible if there is social protection and all citizens are given the opportunity to go to school and also given job opportunities.

7. Conditions for external borrowing should become more stringent. Leaders of states in Africa must be able to convince the ordinary man on the street why they have to borrow and how the money will be paid back.

8. African countries should work at diversifying their economy to increase competition and be export ready.

9. Africa leaders must continue to foster unity and oneness among member states of the AU. Why are people, especially from outside the continent still referring to Africa as sub-Saharan Africa (SSA)? Abiodun (2022) noted that the term SSA is usually referenced in literature because of the perceived sharp differences between North Africa and other parts of Africa called SSA. The differences border on issues of uneven development, climate and culture. However, this tends to separate Africans more than unite them. The unity among Africans is quintessential and must be consciously promoted at all times.

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Actionable policy recommendations

The following are recommendations formulated during the Conference:

- There is a need to develop a framework that incorporates the prioritization of the informal economy, along with the promotion of a strong regional political leadership, and increased investment in public health to advance Africa's fiscal space.
- The informal sector not only needs a mobile financing system but also a traditional banking system. Governments should allocate funding to support traditional banks to facilitate the informal sector to assess these available resources. Providing small credit interest rates toward the informal sector by the Governments should be promoted.
- In a crisis, African Governments should provide support for both urban and rural communities to keep running their businesses and to maintain their livelihoods.
- There is a need to make a correlation between informality and the trend toward insecurity. The more African Governments try to streamline resources and formalize the informal sector, they end up missing the key elements to address. This contributes to political insecurity.
- The UN should continue to advocate for the nexus approach for peace, security, stability and development in order to achieve the SDGs.
- There is a need for African leaders to develop and implement strategies and policies that can capture the needs, capabilities, and skills of the continent to move beyond the COVID-19 pandemic. Specifically, the elements of a human security-based approach in framing pandemic responses should be promoted. These include examining the multifaceted dimension of insecurity and threats, progressing from institutional state-centred perspective to people-centred approach and considering individuals as the primary unit of analysis.
- There is a need for African governments to develop inclusive development frameworks that address multiple aspects such as education, women and youth empowerment, issues of security, etc.
- Africa's recovery should be dependent on the implementations of resilient frameworks that can simultaneously advance the human security and demilitarization of political spaces.
- Countries should focus on Community capacity development which focuses on 3 levels - the community, the individual, and the society encompassing civil society actors.
- The role of the private sector in financing health is paramount, especially in promoting community-based health insurance schemes, which are becoming very popular in many African countries.
- African countries need to become more influential and visible in all multilateral and international institutions and take the lead in major decisions pertaining to Africa.
- African leaders must champion the popularization of Agenda 2063 from the regional to local levels. Agenda 2063 must be owned by the people for it to flourish. National and regional policies must target young people for inclusiveness in the political and social space.

CONCLUSION

COVID 19 has not only reversed development gains, but also undermined the foundations of sustainable development in Africa. In this regard, the theme of the conference, "Fiscal space and fragility," was critical to ensure not only Africa's recovery but most importantly, its resilience to future crises.

Addressing the problem of fiscal space in Africa entails empowering African countries to finance their own development and ensuring the sustainability of public service provision which results in the reduction of fragility and instability across the continent.

The need for further capacity development support on important issues affecting the continent, including domestic resource mobilization, fighting illicit financial flows, widening the fiscal space, and debt sustainability should be the collective responsibility and capacity development must be the political priority of African countries and all relevant stakeholders.

ANNEX

Programme

The Academic Conference on “Africa’s fiscal space, fragility and conflict”

TUESDAY 22 TO THURSDAY 24, FEBRUARY 2022 (9:00AM-12:00PM, EST)

DAY 1	TUESDAY, 22 FEBRUARY 2022
	OPENING SESSION (09:00-09:30AM)
09:00-09:30AM	• Moderated by Mr. Kavazeua Katjomuise, Senior Economic Affairs Officer, Office of the Special Adviser on Africa (OSAA) **Remarks: 5 mins each** • Ms. Cristina Duarte, USG and Special Adviser on Africa, OSAA • Prof Emmanuel Nnadozie, Executive Secretary, the African Capacity Building Foundation (ACBF) • Amb. Fatima Kyari Mohammed, the Permanent Observer of the African Union to the United Nations
	SESSION 1. DEBT SUSTAINABILITY AND IMPACT ON CONFLICT AND STATE FRAGILITY (09:30-11:55AM)
09:30-10:30AM	• Moderated by Prof. Yiagadeesen (Teddy) Samy, Director, the Norman Paterson School of International Affairs (NPSIA), Carleton University, member of OSAA Knowledge Network **Presentations: 15 mins each (a total of 45 mins)** • Dr. Samuel Ojo Oloruntoba (Mr.), “Back to the Well? Untangling the New Debt Accumulation, COVID-19, and Social Crisis in Africa” • Dr. Adryan Wallace (Ms.), “The Intersections of Gender Inequality, Regional Economic Integration and State Fragility” • Gibson Chigumira (Mr.), “An Assessment of Fiscal Space, Fragility and Conflict in Sub-Saharan Africa”

10:30-10:40AM	**10 MINUTES BREAK**
10:40-11:10AM	**Discussants: 5 mins each (a total of about 30 minutes)** • Dr. Chukwuka Onyekwena, Executive Director of the Center for the Study of the Economies of Africa (CSEA) and member of ACBF Knowledge Network • Ms. Catherine Ngina Mutava, Associate Director of the Strathmore Tax Research Centre and member of OSAA Knowledge Network • Prof. Elizabeth Amukugo, Former Professor at University of Namibia and member of ACBF Knowledge Network • Mr. Felix Tughuyendere, First Secretary, the Permanent Mission of Namibia to the United Nations • Prof. Yiagadeesen Samy, Director, the Norman Paterson School of International Affairs (NPSIA), Carleton University, member of OSAA Knowledge Network
11:10-11:55AM	**Interactive discussion: 45 mins**
DAY 2	**WEDNESDAY, 23 FEBRUARY 2022**
09:00-09:05AM	**Recap of Day 1 by Kei Tagawa, Programme Management Officer, Office of the Special Adviser on Africa (OSAA)**
	SESSION 2. ILLICIT FINANCIAL FLOWS, DECENTRALIZATION AND THEIR IMPACTS ON FISCAL SPACE IN AFRICA (9:05-11:20AM)
09:05-10:05AM	• Moderated by Ms. Cynthia Nyam; Project Coordinator, Strengthening Capacity of Strategic Partner Institutions in Africa, ACBF **Presentations: 15 mins each (a total of 45 mins)** • Lyla Latif (Ms.), "Is Africa's Fiscal Space Undermined by Debt related Illicit Financial Flows? A Case Study of the Southern African Development Community (SADC)" • Lennart Fleck (Mr.) and others, "Land and Property Tax Reform in Puntland and Somaliland: Exploring the Connection Between Revenue Optimization and Service Delivery" • John Osayere Agbonifo (Mr.), "Overcoming Shrinking Fiscal Space and Fragility in Africa: Recapturing Ungoverned Social Spaces for Post-COVID-19 Recovery and Social Protection"
10:05-10:35AM	**Discussants: 5 mins each (a total of 30 mins)** • Dr. Gloria Somolekae, Acting Executive Director of BIDPA and member of ACBF Knowledge Network • Ms. Emily Muyaa, Senior Economic Affairs Officer, United Nations Department of Economic and Social Affairs (DESA) • Ms. Carlotta Schuster, Division for Africa, Least Developed Countries and Special Programmes, UNCTAD • Prof. Afeikhena Jerome, Special Advisor to the Commissioner for Agriculture, Rural Development, Blue Economy and Sustainable Development, African Union Commission and member of ACBF Knowledge Network • Ms. Irene Ovonji-Odida, human rights lawyer, member of the UN FACTI Panel and the Mbeki Panel, member of OSAA Knowledge Network • Prof. Cristina D'Alessandro, member of the Centre on Governance of the University of Ottawa and member of ACBF Knowledge Network
10:35-11:20AM	**Interactive discussion: 45 mins**

DAY 3	THURSDAY, 24 FEBRUARY 2022
09:00-09:05AM	**Recap of Day 2 by Ms. Rui Xu, Associate Economic Affairs Officer, Office of the Special Adviser on Africa (OSAA)**
	SESSION 3 BUILDING AFRICA'S RESILIENCE TO SHOCKS AND ADVANCING INCLUSIVE, EQUITABLE AND PEACEFUL SOCIETY IN AFRICA (9:05-11:20AM)
09:05-10:05AM	• Moderated by Prof Sylvain Boko, Director of Programs, ACBF **Presentations: 15 mins each (A total of 45 mins)** • Dr. Olajumoke Ayandele (Ms.) and Dr. Yvan Ilunga (Mr.), "African solutions to African problems: a pathway to the region's recovery in a post-COVID world" • Adedeji Ademola (Mr.) "A real deal or an unworkable framework? Agenda 2063, SDG Goals and Challenges of Development in 21st Century Africa"
10:05-10:35AM	**Discussants: 5 mins each (a total of about 30 mins)** • Mr. Oumar Diakhate, President of AfCoP and member of ACBF Knowledge Network • Dr. Meriem El Hilali, Counsellor, the Permanent Mission of Morocco to the United Nations • Mr. Henk-Jan Brinkman, Chief for Peacebuilding Strategy and Partnership Branch, PBSO, DPPA-DPO • Mr. Ahmed Magdy, First Secretary, the Permanent Mission of Egypt to the United Nations • Dr. Charles Nyuykonge, International development consultant & peace, conflict and governance specialist and member of ACBF Knowledge Network
10:35-11:20AM	**Interactive discussion: 45 mins**
	CLOSING SESSION (11:20AM-11:30AM)
11:20-11:30AM	• Moderated by Dr. Barassou Diawara, Senior Knowledge Management Expert, ACBF **Remarks: 3 mins each** • Ms. Cristina Duarte Under-Secretary-General and Special Adviser on Africa, OSAA • Prof Emmanuel Nnadozie, Executive Secretary, the African Capacity Building Foundation (ACBF)

OSAA's Strategic Agenda

THE OFFICE OF THE SPECIAL ADVISER ON AFRICA

VISION

An international system working coherently to help Africa to progressively fulfil its potential as a continent of hope and prosperity for this century and for future generations

MISSION

To advocate for Africa at the global level by mobilizing the UN system and broader international community around the transformative vision of the African Union in support of the 2030 and 2063 Agenda on the continent, building on strong partnerships, innovation, and strategic foresight

Bios of authors, presenters, and discussants

	OPENING SESSION
Mr. Kavazeua Katjomuise **Senior Economic Affairs Officer, OSAA** **(Moderator)**	 **Kavazeua Katjomuise** has over 23 years of work experience with the United Nations. He is currently Team Lead and Senior Economic Affairs Officer in the Office of the Special Adviser on Africa (OSAA) at the UN Secretariat in New York. In this position, he tracks and reports on progress in the implementation of the New Partnership for Africa's Development (NEPAD) including implementation of commitments made towards Africa's development. He previously served as Special Assistant to the USG and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS). Prior to moving to New York in early 2009, Mr. Katjomuise spent 7 years with UNECA in Addis Ababa, Ethiopia, where he worked on trade, finance, and macroeconomic policy issues. He has previously worked with the UN Economic Commission for Latin America and the Caribbean in Trinidad & Tobago. He also had a brief stint with the Central Bank of Namibia working on monetary and broader financial policy issues. Mr. Katjomuise served in the UN Speed Mentoring Programme (2015-2017) which provides the opportunity for a select group of senior UN officials from across the Secretariat to share their wealth of professional knowledge and experience with junior staff. He also serves on the Young Professional Programme (YPP) Mentoring Platform where he mentors junior professionals across the UN. His academic background includes a M.A. in Organisational Change Leadership from Columbia University in New York; M.S. in Economics from Western Michigan University; and B.A. in Economics from Wilmington College of Ohio. He is a member of the John Maxwell Team and is a certified leadership trainer and executive coach. His passion is to unlock Africa's leadership potential and to help unleash the next generation of transformational leaders in Africa.

Mrs. Cristina Duarte, Under- Secretary-General, UN Special Adviser on Africa	 **Mrs. Cristina Duarte** is the United Nations Special Adviser on Africa and Under-Secretary-General of OSAA since 1 August 2020. She is the strategic adviser to the Secretary-General on African Affairs, the focal point in UNHQ for relations with the AUDA-NEPAD as well as the African Group with regard to Africa's development. As the head of OSAA, she supports the Secretary-General in promoting coherence in the UN system's engagement in Africa and chairs the Inter-Departmental Task Force on African Affairs (IDTFAA), and advocates and mobilizes the United Nations, its Member States and other key stakeholders around Africa's transformative vision articulated in the 2030 and 2063 Agendas. Prior to joining the UN, Mrs. Duarte served as Cape Verde's Minister of Finance and Planning for 10 years. She has also served as Director of a World Bank reform program and Vice President of Citibank giving her a valuable exposure on the functioning of international finance systems. When Mrs. Duarte left Government in 2016, she was invited to governance and advisory positions in various international and regional organizations; namely, Member of the United Nations Committee of Experts on Public Administration, Member of the United Nations High-Level Advisory Board on Economic and Social Affairs, a Member of President Paul Kagame's Advisory Committee on African Union Reforms, a Member of the Board of the Alliance for a Green Revolution in Africa (AGRA) and a Member of the Board of the Institute of African Leadership for Sustainable Development (UONGOZI Institute). Mrs. Duarte is committed to public service.
Prof. Emmanuel Nnadozie, Executive Secretary, the African Capacity Building Foundation (ACBF)	 **Professor Emmanuel Nnadozie** is the Executive Secretary of the African Capacity Building Foundation (ACBF). His work spans over 30 years in the development sector. Prior to his selection for ACBF, he served in high-level positions at the United Nations Economic Commission for Africa (UNECA) which he joined in 2004. At the UNECA, Prof. Nnadozie led the production of the well acclaimed annual Economic Report on African from 2010 to 2013; the Least developed Countries Monitor and the annual Africa MDGs Report for 4 years. He also served as a UN representative at various intergovernmental and continental forums and as coordinator for the UN system-wide support to Africa's development as well as the focal point for UN/UNECA's relations with African Union Commission, NEPAD Secretariat, and the African Peer Review Mechanism (APRM). Before joining the UNECA, Prof. Nadorite taught economics from 1989 to 2004 at Truman State University in Missouri United States. While at Truman, he also held a fellowship at University of Oxford and a visiting professorship at University of North Carolina. Emmanuel Nnadozie has written several books and book chapters which include among others, African Economic Development. Recognized as an educator, Emmanuel Nnadozie is member of many Honor societies and organizations. He received higher degrees at the University of Nigeria Nsukka and the Université de Paris 1 Sorbonne.

Her Excellency Fatima Kyari Mohammed, Ambassador of the Permanent Observer Mission of the African Union to the United Nations in New York

Ambassador Fatima Kyari Mohammed is the Permanent Observer of the African Union to the United Nations. In addition to representational functions her mandate includes developing and maintaining constructive and productive institutional relationships between the African Union and United Nations institutions, supporting, and coordinating the activities of the African Group at the United Nations as well as ensuring the effective monitoring, implementation, and promotion of African Union Decisions within the African group in multilateral negotiations.

Prior to her appointment, she was a Senior Advisor to the ECOWAS Commission. Her career spans more than two decades with a focus on peace, security, socio-economic development, regional integration, organizational development, and project management in the public and private sectors.

Her academic background is in Peace, Security, Development and Conflict Transformation (University of Innsbruck, Austria), Sustainable Economic Development (UN University of Peace, Costa Rica), and Business Communication (MBA, European University, Switzerland). She also holds a BA in Environmental Design from the Ahmadu Bello University, Zaria, Nigeria.

She has authored several publications and articles including: The Future of Nigeria: Security Challenges and Implications for Internal, Regional, and Global Security Environment (Revue Défense Nationale, Summer 2016); "A Human Security & Development Approach to CVE in Northeast Nigeria: Exploring the Role of Women" (August 2015); "Security and Development in Countering Violent Extremism (CVE) in the Sahel - Case study: Northern Nigeria" (May 2013); etc.

She is an Eisenhower Fellow and was further honored with the ExxonMobil Distinguished Fellow Award in 2017.

DAY 1: SESSION 1 — DEBT SUSTAINABILITY AND IMPACT ON CONFLICT AND STATE FRAGILITY

Prof. Yiagadeesen (Teddy) Samy, Director, the Norman Paterson School of International Affairs (NPSIA), Carleton University, OSAA Knowledge Network member

(Moderator)

Mr. Yiagadeesen (Teddy) Samy is a Professor of international affairs and currently the Director of the Norman Paterson School of International Affairs (NPSIA) at Carleton University. Professor Samy holds a PhD in economics, and his research interests intersect the broad areas of international and development economics. His current research focuses on domestic resource mobilization, fragile states, foreign aid, and income inequality. His most recent books are African Economic Development (Routledge, 2018), co-authored with Arch Ritter and Steven Langdon, and Exiting the Fragility Trap: Rethinking Our Approach to the World's Most Fragile States (Ohio University Press, 2019), co-authored with David Carmen.

Mr. Samuel Ojo Oloruntoba **(Presenters)**	 **Samuel Ojo Oloruntoba** is an Adjunct Research Professor at the Institute of African Studies, Carleton University, Ottawa, Ontario, Canada and Honorary Professor at the Thabo Mbeki School of Public and International Affairs, University of South Africa. He is also a Faculty Associate at the African School of Governance and Policy Studies. He obtained a PhD in Political Science from the University of Lagos, Nigeria. He was previously a Visiting Scholar at the Program of African Studies, Northwestern University, Evanston and an alumnus of Brown International Advanced Research Institute, Brown University, Rhode Island, United States of America. Oloruntoba is the author, editor and co-editor of several books including Regionalism and Integration in Africa: EU-ACP Economic Partnership Agreements and Euro-Nigeria Relations, Palgrave Macmillan, New York, USA, 2016 and co-editor with Toyin Falola of the Palgrave Handbook of African Political Economy, 2020, among several other books. His research interests are in Political Economy of Development in Africa, Regional Integration, Migration, Democracy and Development, Global Governance of Trade and Finance, Politics of Natural Resources Governance and EU-African Relations.
Ms. Adryan Wallace, PhD	 **Adryan Wallace** is an Assistant Professor in the Department of Africana Studies at Stony Brook University, USA with additional affiliations in the Departments of Political Science and Women's Gender and Sexuality Studies. Her research interests include gender, political economy, development, Islam and politics, and state fragility. Her work has been supported by external and internal awards including Fulbright and she is a Ford Fellow. Her current book project is Muslim Women in Nigeria and Ghana: the politics of gender quality and inclusive growth. Wallace holds a PhD in Political Science, an MA in African Studies, and a BS in Psychology.

<table>
<tr><td>Dr. Gibson Chigumira</td><td>
Dr. Gibson Chigumira is the founding Executive Director of the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) a local Policy Think Tank since its inception in March 2004. He holds a Ph.D. Economics Degree from the University of Strathclyde (UK), MSc Economics Degree from Glasgow University (UK), BSc and MSc in Economics Degrees from the University of Zimbabwe. Prior to joining ZEPARU he worked as a Consultant in the Knowledge Management Department for the African Capacity Building Foundation (2003); Researcher and Lecturer in the Economics Department at the University of Zimbabwe (1993-2003). He has also lectured on a part-time basis on post graduate programmes at five other Universities in Zimbabwe. He has also sat on a number of Boards/Technical Committees, including the Monetary Policy Committee of the Reserve Bank of Zimbabwe (2012-2015); Zimbabwe Investment Authority Board Member from 2009-2012; United Nations African Institute for Economic Development and Planning (IDEP) Technical Advisory Committee 2013 to date and the National Competitiveness Commission (NCC) from 2017 to date where he is the chairman of the Competitiveness Committee among others.</td></tr>
<tr><td>Dr. Chukwuka Onyekwena, Executive Director of the Centre for the Study of the Economies of Africa (CSEA) and member of ACBF Knowledge Network

(Discussants)</td><td>
Dr. Chukwuka Onyekwena is the Executive Director of the Centre for the Study of the Economies of Africa (CSEA). He is also the Chair of the Advisory Board of Africa Portal, a member of the Steering Committee of the Southern Voice, and a member of the African Policy Circle. His research interests include Foreign Direct Investment (FDI), Trade, Global Economic Governance, Education quality, Energy, Agricultural productivity, and Financial Inclusion. He holds a Ph.D. in Economics from University of Portsmouth, UK., and Executive Education certificates in Rethinking Financial Inclusion and Evaluating Social Programs from Harvard Kenny School of Government and JPAL-MIT respectively.</td></tr>
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Prof. Elizabeth M. Amukugo, PhD (Lund) **Associate Professor and Independent Consultant**	 **Prof. Elizabeth Amukugo** is a Namibian who studied in Zambia, Kenya, and Sweden. Previously a Member of University of Namibia Senate and Head: Educational Foundations and Management. Lectured in: Research Methodology, Sociology of Education, Philosophy of Education, Leadership and Change Management. External Examiner for University of Fort Hare; Founding Director of Research: International University of Management; Member of Parliament; and Founding Chief of Multi-lateral Co-operation. Formerly Senior Representative of the Commonwealth Parliamentary Association; Chairperson of ACBF Technical Advisory Panels and Networks (PARLIANET); and Member: UNESCO Working Group on Education for All; Currently Member of ACBF's Strategic Studies Group.
Mr. Felix Tughuyendere, First Secretary, the Permanent Mission of Namibia to the United Nations	 **Felix Tughuyendere** is First Secretary at the Permanent Mission of the Republic of Namibia to the United Nations in New York. He deals with the Second Committee. He served as the Acting Deputy Permanent Representative at the same Mission from 1 November 2020-30 April 2021. He is the Coordinator for the Group of 77 and China for the UN resolution on Combating Desertification since 2018. He facilitated in 2019 for the draft resolution on the Role of the UN in promoting development in the context of globalization and interdependence. He lectured international relations at Namibia University of Science and Technology on a part-time basis from 2016-2017.
DAY 2: SESSION 2	**ILLICIT FINANCIAL FLOWS, DECENTRALIZATION AND THEIR IMPACTS ON FISCAL SPACE IN AFRICA**
Ms. Cynthia Nyam, Project Coordinator, Strengthening Capacity of Strategic Partner Institutions in Africa, ACBF **(Moderator)**	 **Cynthia Nyam** is a Program Coordinator at ACBF with experience in the development sector working across different sectors with a focus on program development and knowledge management. Her work includes policy development and capacity building for African institutions. She holds a Master's Degree from Coventry University and Bachelor's Degree in Mass Communication. In her spare time, Cynthia curates opportunities for dissemination of global development knowledge.

Ms. Lyla Latif **(Presenters)**	 **Lyla Latif** is a Kenyan lawyer specialized in corporate, commercial and investments law. Her research expertise is in seeking solutions towards strengthening public finance for distributive justice and in curbing IFFs to secure the fiscal space for financing core HR entitlements. She is a teaching fellow at the University of Nairobi and Chief Executive at Lai'Latif & Co. She has worked with international organizations and governments on DRM following the digitized economy and move towards new economic models. Lyla has a First Class LLB and LLM in Public Finance and Financial Services Law (Kenya), MA in Development and Governance (Germany) and certifications in International Taxation (Germany) and Rights Litigation (USA).
Mr. Lennart Fleck	 **Lennart Fleck** works as a Municipal Finance and Local Economic Development Officer at the United Nations Human Settlements Programme (UN-Habitat) Headquarters in Nairobi. Since joining UN-Habitat, Lennart has advised local governments around the world on issues of Municipal Finance and among other things led the development of a self-diagnosis tool for own source revenue (OSR) optimization. Prior to joining UN-Habitat, Lennart worked as a Management Consultant in the financial sector in Switzerland, advising private firms on their financial strategy and operational efficiency. Lennart has also worked on financial system development for GIZ in Mozambique and evaluated private investments into Sub-Saharan Africa at Frontier Advisory Deloitte. Lennart holds an MSc in Public Financial Management from SOAS University of London, an MSc with Distinction in Development Management from the London School of Economics and Political Science and an MA in International Relations from the University of St Andrews. Lennart speaks English, German, French, Spanish, Portuguese, Arabic and Swahili.

Mr. John Osayere Agbonifo	 **John Osayere Agbonifo** is an Associate Professor of Sociology and Sustainable Development, and Acting Director of the Global Affairs and Sustainable Development Institute (GASDI) at Osun State University, Nigeria. His research interest centers on governance, environmental transformations, and human consequences of environmental change. He explores the themes from a sub-Saharan African perspective, focusing in particular on the extractive industry. Also, John has worked on intra and inter-state violent conflicts, and the use of sanctions to promote international peace and security in Africa. His latest publication, 'Nonstate Armed Groups, Leadership, and Sanctions Effectiveness', appeared in African Security (2021).
Dr. Gloria Somolekae, Executive Director of BIDPA and member of ACBF Knowledge Network **(Discussants)**	**Dr Somolekae** holds a PhD in Public Administration from Syracuse University in the USA and a Master's in Public Policy and Administration from the Institute of Social Studies in Holland. She is a Senior Research Fellow in the Governance and Administration Unit at the Botswana Institute for Development Policy Analysis (BIDPA) where she is Acting Executive Director. Her career started in the 1990s at the University of Botswana where she taught for more than 15 years. She then moved to philanthropy working for the WKKellogg Foundation in the Africa Office in Pretoria, South Africa where she was responsible for the program in Malawi, Botswana, Zimbabwe and Mozambique. In 2011, Dr Somolekae was elected Specially Elected Member of Parliament in Botswana and served in cabinet in ministries of Finance and Economic Development and Ministry of Health. After this short stint in politics, she has gone back to research heading the only government think tank. She had published extensively on a number of development issues including in foreign aid management, Aid Effectiveness; Democracy and Development; Election Management; and other related topics. She is passionate about governance and development. She has served in numerous boards both in Botswana and in Southern Africa in general.
Ms. Emily Muyaa, Senior Economic Affairs Officer, United Nations Department of Economic and Social Affairs (DESA)	 **Emily Muyaa** is the Chief of the Capacity Development Unit within the International Tax and Development Cooperation Branch of the Financing for Sustainable Development Office, United Nations Department of Economic and Social Affairs. Ms Muyaa leads the development of a coherent strategy for capacity development programmes and activities at national, regional, and global levels in Financing for Sustainable Development. This includes, among other key roles, supporting an integrated approach to policy and capacity development work in the area of international tax cooperation.

<table>
<tr><td>Ms. Carlotta Schuster
Associate Economic Affairs Officer
Division for Africa, Least Developed Countries and Special Programmes (ALDC)</td><td>
Carlotta Schuster is an economist with the Division for Africa, Least Developed Countries and Special Programmes (ALDC) at UNCTAD in Geneva. She holds a PhD in International Economics from the Graduate Institute for International and Development Studies in Geneva, where she specialized in financial crime. Her areas of expertise are measuring illicit financial flows and their socio-economic impact in Africa, measuring informal intra-African trade and its role inclusive growth. Prior to joining UNCTAD, Dr. Schuster had been working in research capacities for the European Central Bank, the Oversees Development Institute in London and a Swiss technical cooperation programme for Central Banks.</td></tr>
<tr><td>Prof. Afeikhena Jerome,
Special Advisor to the Commissioner for Agriculture, Rural Development, Blue Economy and Sustainable Development, African Union Commission, and member of ACBF Knowledge Network</td><td>
Afeikhena Jerome is Special Advisor African Union Commission and FAO Consultant on Policy. He is also Professor of Economics in Nigeria. He has over two decades' experience working on policy issues in Africa. He previously worked for DFID/DAI, UNDP and APRM Secretariat. This was after over fifteen years' stint teaching in several African countries, including the University of Ibadan, Nigeria. He has also has held several distinguished positions including Visiting Scholar, IMF; Visiting Fellow, the World Bank and Senior Associate Member, St. Anthony's College, Oxford University.</td></tr>
<tr><td>Ms. Irene Benji Odida,
Human Rights Lawyer, member of the UN FACTI Panel and the Mbeki Panel, member of OSAA Knowledge Network</td><td>Ms. Irene Obonji Odida is a member of the UN FACTI Panel, and AU High-Level Panel on Illicit Financial Flows from Africa (Mbeki Panel). She is on the Independent Commission for Reform of International Corporate Tax (ICRICT); and member of South Center Tax Initiative Steering Committee; Pan African Lawyers Union Task force on IFFs and TJNA Advisory Board. Ms. Odida served in the East African Legislative Assembly and was formerly International Board Chair for ActionAid International and Chief Executive Officer of the Uganda Association of Women Lawyers. Ms. Odida has a Master's in International Human Rights.</td></tr>
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Dr. Cristina D'Alessandro, member of the Centre on Governance of the University of Ottawa and member of ACBF Knowledge Network	 **Dr. Cristina D'Alessandro** is a Member of the Centre on Governance of the University of Ottawa (Canada), a Senior Research Fellow at the Research Centre PRODIG (Université Paris 1 Panthéon Sorbonnne). Economic geographer with more than 20 years experience in prestigious institutions (such as Sciences-Po Paris), she serves as an expert with various organizations and institutions, including the African Development Bank, the ACBF and the UNECA. Her expertise is mainly on public policy, economic transformation, sustainable development, urban and environmental governance. Member of The BoardRoom Africa, she is a mentor for the Deloitte Women in Africa Mentorship Programme.
DAY 3: SESSION 3	**BUILDING AFRICA'S RESILIENCE TO SHOCKS AND ADVANCING INCLUSIVE, EQUITABLE AND PEACEFUL SOCIETY IN AFRICA**
Prof. Sylvain Boko, Director of Programs, ACBF **(Moderator)**	 **Professor Sylvain H. Boko** is the Director of Programs, and Regional Director for West and Central Africa at ACBF. He previously served as UNDP Senior Expert in the Office of the Vice-President of the Federal Republic of Nigeria. Prof. Boko is a former Principal Regional Advisor for Development Planning and Statistics at the UN Economic Commission for Africa (UNECA), and has served as Chief of Party and Country Representative for RTI in Mali on a USAID project. Prof. Boko holds a Ph.D. in International Economics and Development Economics from Iowa State University of Science and Technology (USA), and served for a long time on the Economics faculty of Wake Forest University (USA).

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<tr><td>Dr. Olajumoke (Jumo) Ayandele

(Presenters)</td><td>
Dr. Olajumoke (Jumo) Ayandele is a Postdoctoral Research Fellow at New York University Center for the Study of Africa and the African Diaspora (CSAAD) and a Non-Resident Fellow at the Center for Global Affairs. In her most recent position as a Senior Researcher at The Armed Conflict Location & Event Data Project (ACLED), Dr. Ayandele supported the production of real-time data on political violence in Nigeria. She is passionate about understanding the dynamic relationship and intersection between African conflict, human security, and political stability, and has won numerous awards and grants to conduct her research. Social Media Handle: @Jumo_Ayandele.</td></tr>
<tr><td>Dr. Yvan Yenda Ilunga</td><td>
Dr. Yvan Yenda Ilunga is an Assistant Professor of Political Science and International Relations at Salve Regina University in Newport (Rhode Island, USA), and serves as Deputy Director of the Joint Civil Military Interaction Network (JCMI). His research agenda broadly focuses on international relations, security, peace and development, and on questions related to humanitarian action, civil–military interactions, natural resources-based conflicts, peace operations, regional cooperation and security, and economic and social sustainability. Dr. Ilunga is a member of the Effectiveness of Peace Operations Network. He is also the author of the book Humanitarianism and Security: Trouble and Hope at the Heart of Africa (Palgrave Macmillan, 2020). Social Media Handle: @DrYvanYenda.</td></tr>
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Mr. Adedeji Ademola	 **Adedeji Ademola** is a doctoral student in the department of International Relations, Obafemi Awolowo University, Ile-Ife, Nigeria. He holds a Bachelor of Arts degree in History and Diplomatic Studies, a Master's degree in Business Administration as well as a Master's degree in International Relations with a focus on International Political Economy and Security Studies both at the Obafemi Awolowo University, Ile-Ife, Nigeria. He recently won grants from the British Academy for writing and researching the political economy of inequality in Africa (WARIA) 2021 and from the Collaborative Research Group African Politics and International Relations, 2020. He has authored scholarly articles in the area of security and development issues in West Africa, counterinsurgency and political economy. He is a fellow of the Ife Institute of Advanced Studies and a member of the Conflict Research Network West Africa.
Mr. Oumar Diakhate, President of AfCoP and member of ACBF Knowledge Network **(Discussants)**	 **Oumar DIAKHATE,** a Senegalese citizen, has a Master's Degree in Economics and Projects Evaluation from the CREA/UCAD University in Dakar and the Diploma of the National School of Public Management (ENA). He has capitalized more than twenty five years - experience in working for the Senegalese Government and international institutions. Prior to his conversion as an international Consultant, Mr DIAKHATE served as Economist in several ministries such as the departments of Rural Development and Agriculture, Employment, Economic and Finances and the Centre for Development Policy Studies (CEPOD/ACBF). He worked also as a Governance Programme Analyst for UNDP CO and as Adviser for UNDP in Central African Republic.

Dr. Meriem El Hilali, Counsellor, the Permanent Mission of Morocco to the United Nations	 **Dr Meriem El Hilali** is a career diplomat and Counsellor at the Permanent Mission of Morocco to the United Nations in New York. She holds a PhD in political science from the University of Strasbourg and has been working since her appointment in NY on 2nd Committee processes, with a special focus on the 2030 Agenda for sustainable development, Climate Action, South-South Cooperation, and socio-economic related topics. Before moving to New York, she worked at the Secretariat of the Union for the Mediterranean (UfM) in Barcelona. Her experience at the UfM was a key step to engage with the region's most urgent needs, especially the human development dimensions and their social and economic triggers. Meriem had also worked as Vice Consul in Strasbourg on cooperation between the Kingdom of Morocco and the Council of Europe, Europe's leading human rights organization and before that in Rabat, as Counselor in the Euro-med Directorate in the Ministry of Foreign Affairs, African Cooperation and Moroccan Expatriates.
Mr. Henk-Jan Brinkman, Chief for Peacebuilding Strategy and Partnership Branch, PBSO, DPPA-DPO	 **Henk-Jan Brinkman** has been Chief Peacebuilding Strategy and Partnerships in the Peacebuilding Support Office of the United Nations Department of Political and Peacebuilding Affairs since 2010. Previously, he was chief Economic Analysis in the World Food Programme (2006-2010); Senior Economic Affairs Officer in the Executive Office of the Secretary General of the United Nations (2001-2006); and Economic Affairs Officer in the UN Department of Economic and Social Affairs (1989-2001). He holds a B.A. and an M.A. in economics from the University of Groningen and a Ph.D. in economics from the New School for Social Research in New York City.
Mr. Ahmed Magdy, First Secretary, the Permanent Mission of Egypt to the United Nations	 **Ahmed Magdy** is currently serving at the Mission of Egypt in New York covering Sustainable development issues and Climate change. Previously served at the Embassy of Egypt in Tokyo (2008-2013) and the Permanent Mission of Egypt to the African Union and Embassy to Ethiopia (2015-2018). Also, served at the cabinet of the Minister of Foreign Affairs of Egypt, focusing on the Chairmanship of Egypt to the African Union in 2019.

Dr. Charles Nyuykonge, international development consultant & peace, conflict and governance specialist and member of ACBF Knowledge Network	 **Dr. Charles Nyuykonge** is the Founder of Peacebuilders Without Borders; and a Peace, Conflict and development practitioner working with the African Development Bank since January 2022. His over 15 years of professional experience has been in conducting research, managing teams, programs and multi-institutional collaborations on peace and security studies, human rights and election observation missions with international organizations and research institutions in Africa, Europe, and Asia. Before embarking on Fulltime consultancy and supporting multilateral organizations, development partners and international financial institutions (IFIs), Charles has garnered immense experience in leading and conducting conflict assessments, conflict and peace research, conflict analysis and providing strategic policy direction for conflict, mediation, peacebuilding and peacekeeping first as a Senior Research Fellow with the Institute for Global Dialogue (IGD) in Pretoria, as Senior Researcher with African Centre for the Constructive Resolution of Disputes (ACCORD) and as a Civilian Human Rights Observer with the African Union Mission in Mali and the Sahel. Prior to these, Charles was lecturer at the universities of the Witwatersrand where he also served as tutorial and doctoral fellow; and at the University of Zululand in South Africa. In Addition to these, Charles is well-published in the field of conflict, peace and security in Africa with more than 20 publications in accredited and peer-reviewed journals.
	CLOSING SESSION
Dr. Barassou Diawara, Senior Knowledge Management Expert, ACBF **(Moderator)**	 **Barassou Diawara** is a Senior Knowledge Management Expert at the African Capacity Building Foundation (ACBF) and coordinator of the Africa Think Tank Network housed at ACBF. Barassou is also member of the Africa Capacity Report Team which produces the ACBF Flagship Report – measuring and assessing capacities in relation to the development agenda of African countries. Barassou holds a Master's degree in Economics from Cheikh Anta Diop University in Senegal, and a Masters' and Ph.D. in Economics from the Kyushu University Graduate School of Economics in Japan where he was also a research fellow before joining ACBF. His areas of expertise include development economics, capacity development, education and poverty economics where he has published a number of articles